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FBIS-SOV-94-149 *3 August 1994*

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Commander Says CIS Countries To Police Own Borders

NC0208202994 Baku TURAN in English 1732 GMT 2 Aug 94

[Text] Baku, August 2 (TURAN)— The protocol signed during the meeting of the commanders of frontier troops of the CIS countries reads that border line on the Caspian Sea Astara (Azerbaijan)-Hasangulu (Turkmenistan) will be controlled not by Russia's frontier troops, but by troops of Azerbaijan and Turkmenistan, said Abbasali Novruzov, head of frontier troops of Azerbaijan at today's press-conference in Baku. He noted that each party will control its territory. The border line Astara-Hasangulu is the border line with Iran.

According to Novruzov, after separation of the Caspian Sea Azerbaijan will have it's own sea border extending for 150 miles. Novruzov noted that the members of the meeting discussed also the draft of the conception on the defence of external borders of the CIS member-countries. According to the project in case of threat on the external borders of any country, members of the Commonwealth can begin political discussion of the event. According to him the work over the project will last till November, then the document will be submitted to the Heads of the CIS.

General Novruzov also noted that Russia wishes to defend the Azerbaijan's borders with Iran and Turkey. He said that during recent visit to Azerbaijan the group of representatives of Headquarters of frontier troops of Russia, one of them said that Azerbaijan's borders neighboring with Iran and Turkey are defended weakly, that is why the control of these borders should be charged to Russia. But Novruzov said that "Azerbaijan's borders will be defended only by frontier troops of Azerbaijan."

ITAR-TASS Carries Press Review for 3 Aug

LD0308061594 Moscow ITAR-TASS in English 0608 GMT 3 Aug 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow August 3 TASS—ROSSIYSKAYA GAZETA on a communique issued by the Provisional Council of the Chechen Republic.

The Council declared "the dictatorship of Dzhokhar Dudayev overthrown." The communique said in particular that "a national revival government has been formed and is to enter upon its duties immediately."

The newspaper also runs a "Decree on Power," signed by Council Chairman Umar Avturkhanov. "The Provisional Council dismisses Dudayev, who usurped power in the republic, and terminates the functioning of the Chechen Republic's power bodies created by him," the decree said.

NEZAVISIMAYA GAZETA on an arrest warrant for Chechen opposition leader. "The war of words goes on" is the headline of a report which says that the office of the Chechen prosecutor-general on Tuesday issued a warrant to arrest Chechen opposition leader Umar Avturkhanov who is currently in Moscow.

The newspaper cautions against driving "the army of the metropolitan country to an assault on the presidential palace in downtown Grozny." "Unlike the events of one and a half century ago, a second Russo-Caucasian war, if launched, would not necessarily be won by Moscow," the newspaper concludes.

TRUD runs MMM joint-stock company president Sergey Mavrody's message to shareholders:

"We have never deceived and will not deceive you. We value your trust very much and hope for your support and understanding," the message said.

Meanwhile, the rate of MMM shares was fixed at 1,000 roubles from July 29, which is less than the previous one by a factor of 100. Mavrody promises that the new rate will regain its previous value some time in the future.

IZVESTIYA carries a number on articles on the following topics: "Yeltsin-Lukashenko meeting—economic sanctions are not expected," "illegal aliens in Russia are to be found by means of a computer-aided network," about a system of listening in to telephone ocnvirsations, and a article about State Duma Speaker Ivan Rybkin.

KOMSOMOLSKAYA PRAVDA carries in article about the Russian mafia. The article suggests a conclusion that "agencies" (meaning police and intelligence personnel), when various crimes are committed, are always late everywere, and that it is better to come to terms with the "guys" who, although being criminal, yield real strength.

PRAVDA runs statistical demografic data for the Russian Federation.

"We used to lose so many people during the civil war of 1918-1922. Similarity to the civil war is enhanced by the fact that Russian ethos accounts for almost the entire demograpihic decrease."

The natural increase in population in Russia was replaced by a population decline amounting to 200,000 in 1992, 800,000 in 1993, and tending to grow.

KRASNAYA ZVESDA (RED STAR) carries an interview, headlined "The History of the War is a Priority to us Nowadays", with Major-General Vladimir Zolotorev about the forthcoming celebration of the 50th anniversary of the victory of "our people over German fascism."

A ten-volumed work entitled "Georgiy Zhukov, the military leader and human being" will be published, in particular.

NOVAYA YEZHEDNEVNAYA GAZETA (NEW DAILY NEWSPAPER) carries two articles headlined "Financial 'Oligharchy' in Russia: Economic Pattern and Political Interests" and "The President Could Leave Only on his Own Ship" (about Mikhail Gorbachev).

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Belarusian President's First Visit Previewed

MM0308104594 Moscow IZVESTIYA in Russian
3 Aug 94 pp 1-2

[Report by Yadviga Yuferova: "Meeting Between Yeltsin and Lukashenka: No Economic Sensations Expected"]

[Excerpts] It is not a month since election and inauguration day, the Cabinet of Ministers has not finally taken shape, yet Belorussia's [Belarus] first president Alyaksandr Lukashenka, who polled over 80 percent of the vote, is paying a visit to Moscow 3 August.

Both foreign ministries were in a ferment until the last minute: In terms of protocol what kind of visit would it be—an official visit, a working visit, or just a meeting? They prepared for all eventualities—the sheet music of Belorussia's anthem was urgently conveyed to the honor guard company.

It was only yesterday that it became clear that it would be a working meeting between the two heads of state.

It seems that the different form of address used in letters from the Kremlin to the newly elected presidents, something that the whole world has noticed—namely "Dear Leonid Danilovich" [Kuchma], but "Esteemed Alyaksandr Ryhoravich"—will be glossed over at this time. "The appropriate honors will be paid and everything will be done to ensure that the Belorussian president feels as ease, as is customary for a head of state," D. Ryurikov, B. Yeltsin's assistant on international matters, told your IZVESTIYA correspondent the day before.

A busy time has been picked for the visit in the literal sense of the word.

Yeltsin has just returned from problem-stricken Krasnoyarsk, while Chernomyrdin is back from Penza and Karelia, where life is no bowl of cherries at the moment either. They have to issue urgent instructions and find the material resources to back up the promises that are so easily made during visits. Yet now the Belorussians are at the door with their problems....

However, it depends how you look at it. Belorussia is not demonstrating "obduracy," it is not declaring special positions, and it is not blaming its "elder brother" for its problems but is retaining an unusually constant readiness for dialogue and good-neighborliness both at state and interstate level. Although the increase of national awareness in Belorussia as in the other former union republics ended in the formation of its own state system, it is still the only area uncontaminated by vulgar nationalism.

The number one document drafted for the meeting between Yeltsin and Lukashenka is a draft treaty on friendship, good-neighborliness, and cooperation. It contains fine generalizations. The "travel question" which has plagued many people does not concern Belorussia; a rule is being proposed allowing free entry and exit and movement of the two sides' citizens.

The key sensitive issue left over from V. Kebich's government is that of monetary union.

Belorussia is proposing during talks its own version of union, drafted by S. Bogdankevich, chairman of the board of the National Bank of Belorussia. It is a question of an amendment to the existing treaty, Article 5, where the rights of the national state bank are infringed. The fear of becoming another oblast bank of Russia is understandable, hence the desire to issue its own money and implement its own money-credit and currency policy by agreement with Moscow.

A. Shokhin does not and most likely will not agree to that: How can it aspire to issue foreign money? The Russian vice premier is "fighting to the last" even after it proved possible unofficially to persuade Chernomyrdin.

The Belorussians are bringing a draft that has already been repeatedly rejected by Moscow, but no one is suggesting a feasible solution today. [passage omitted]

Only market reform of the economy can provide an escape from many current problems. Then the integration of the two states' national economies may also be possible.

There is another highly important draft agreement—on transforming Belorussia's 1993 debt (1 trillion Russian rubles [R] for oil and gas) into a state loan.

There will also be talk, I was told by Viktor Danilenko, Belarusian ambassador to Russia, of a state loan of R750 billion for the second half of the year.

A treaty on the construction of high-speed road and rail links between Moscow, Minsk, and Berlin is feasible today, as is Belorussian cadres' participation in the joint exploration of the Siberian oil and gas fields.

An agreement on Belorussian potato shipments to Russia's regions could be secured without difficulty. Admittedly, the harvest requires a great deal of effort—the current lengthy drought in Belorussia is rendering the forecasts increasingly pessimistic: Just 7 million tonnes of potatoes will be harvested, 5 million less than previously. Given this weather this "second grain" may be needed at home too.

Belorussia itself attaches great importance to the event, not only, moreover, to its substance but also to the outward formal aspect of the visit, since this is the first presidential visit in the state's history and the standard set here will act as the benchmark in the future.

Two newcomers to big-league politics are coming to the Kremlin at once: the 40-year old President Alyaksandr Lukashenka and 46-year old Prime Minister Mikhail Chyhir. Moscow is not yet familiar with Lukashenka, but we must understand and respect the phenomenon of a

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man who has suddenly won the backing of the entire country—that is not everyone's destiny. Needless to say, Lukashenka is bringing with him a new team, which will actually be doing the job. There are plenty of smart people there, but few wise men, one Belorussian veteran commented. Time will tell.

No sensations are expected from the economic part of the talks. I quote Ryurikov once again: "Russia's course does not automatically change with the arrival of a new leader" and the moral-political results of the once-over are still unpredictable.

Where mutual advantage ends, mutual interest remains.

Belorussia is the gateway to Europe for Russia, its reliable air defense shield, and the assembly shop for highly important machinery. The good will of the people, which cannot be measured in roentgens or in rubles, is also highly valuable.

Russia seems to realize that in addition to "long-range diplomacy" there is next-door diplomacy, where defending priorities is also extremely worthwhile.

Yeltsin Hopes for Successful Reforms in Belarus

LD0308095294 Moscow ITAR-TASS in English 0859 GMT 3 Aug 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow August 3 (TASS)—Russian President Boris Yeltsin hopes economic reforms will go successfully in Byelorussia [Belarus] with its new leader Alyaksandr Lukashenka.

Addressing Lukashenka before their first meeting on Wednesday, Yeltsin also expressed hope that "the friendly relations and mutual understanding between the Russian and Byelorussian peoples will continue to develop".

He stressed that Russia was attentively watching presidential elections in Byelorussia in which Lukashenka secured a landslide victory and highly assessed the wish of the new leader to live in peace and cooperation with all the peoples of the CIS.

"We can continue to get closer on the basis of a confederation or other forms of cooperation within the Commonwealth of Independent States", Yeltsin said and expressed hope that Lukashenka will work to ensure interaction in the CIS.

"I also stand for not only formal interaction with the Commonwealth states, but for coordinated work in the monetary, financial, economic and other spheres of cooperation", Yeltsin said.

The Russian leader invited his Byelorussian counterpart to attend the celebrations of the 50th aniversary of the Soviet victory in World War Two which is to be marked in Moscow next May.

Meets With Lukashenka

LD0308111094 Moscow ITAR-TASS World Service in Russian 0959 GMT 3 Aug 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow, 3 Aug—"Our conversation and working meeting were constructive," Russian President Boris Yeltsin said after his meeting with Belarusian President Alyaksandr Lukashenka.

Boris Yeltsin noted that before the meeting began "I wanted us to develop good contacts since I always value personal contact between countries' leaders—this enables all issues to be resolved more easily." He stressed that both sides had agreed to keep in constant contact.

Belarusian President Alyaksandr Lukashenka is of the opinion that "complete mutual understanding was found, and there is support from Boris Yeltsin for the Belarusian position". He also reported that the Russian president had accepted an invitation to make an official visit to Belarus in the near future, and this is recorded in the communique which was signed after the working visit today.

The Belarusian president told journalists that he intended to discuss 13 economic problems with Russian Prime Minister Viktor Chernomyrdin. Touching on the unification of the two countries' monetary systems, Alyaksandr Lukashenka said that the September agreement on the introduction of monetary systems was being observed and he also reported that a treaty which did not encroach on sovereignty or change the Belarusian constitution was almost ready. The Belarusian president considers "the monetary systems should be united when both countries are at a similar level with reforms and with inflation."

On the subject of the Russian president's visit to Belarus, Alyaksandr Lukashenka expressed the hope that a treaty on mutual friendship and cooperation between the two countries would be signed during the visit, as well as a package of ten documents concerning the resolution of all economic problems.

The Belarusian president also reported that the CIS was discussed during the visit. "There is no alternative to the CIS. The protocols and promises need to be specific and appropriate compromises need to be made," he stressed.

Lukashenka-Yeltsin Meeting 'Constructive'

WS0308133194 Minsk Radio Minsk Network in Belarusian 1200 GMT 3 Aug 94

[Report by Alyaksandr Kitayets]

[Excerpt] At [word indistinct] at the Kremlin, Belarusian President Alyaksandr Lukashenka and Russian Federation President Boris Yeltsin have concluded their working meeting. Among the issues that were supposed

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to be discussed was a treaty on friendship and cooperation between our two states. Although the Belarusian president stated as much on the eve of his visit to Moscow, a document has yet to be signed. This also came as a surprise to Boris Yeltsin. In general, Belarusian and Russian delegations are going to discuss and sign 13 economic documents. Among them are resolutions concerning customs, the unification of our monetary systems, and deliveries of oil products.

Reporters had an opportunity to participate in the opening ceremony before the presidents' meeting behind closed doors. At the beginning, Boris Nikolayevich [Yeltsin] congratulated Alyaksandr Ryhoravich [Lukashenka] on his election to the office of Belarusian president, and noted that people in Russia have been closely watching developments and the course of elections in our country. Yeltsin pointed that with the coming of a president, any society becomes more democratic and reforms can begin. Belarus will hardly be an exception. The Russian leader expressed hopes for mutual understanding and friendship between our peoples, which he believes should develop. Further rapprochement, in the opinion of Yeltsin, can be based, for example, on a confederation or certain other foundations. Yeltsin displayed solidarity with Lukashenka's statements made before the elections concerning cooperation within the CIS framework, and stated that this body should not just formally exist, but it should coordinate economic, financial, and other activities.

In general, it must be noted that the meeting was of an introductory nature, and was held in a business-like and friendly atmosphere. Interviewed by journalists after the meeting, both Yeltsin and Lukashenka expressed their satisfaction with the meeting. I will quote Boris Yeltsin: The meeting was held in a business-like, constructive, and good spirit, and with mutual respect; I did not have any allergic reactions. Lukashenka also expressed his satisfaction with the meeting, and emphasized that the two sides agreed to conduct all consultations and contacts without any mediators and at any time, day or night. Another significant development is that Yeltsin made assurances that Russia will continue to support Belarus.

Boris Yeltsin and Alyaksandr Lukashenka have issued a joint communique on the results of their meeting. [passage omitted]

Chernomyrdin, Lukashenka Hold Talks

LD0308122494 Moscow ITAR-TASS World Service in Russian 1155 GMT 3 Aug 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow, 3 Aug (ITAR-TASS)—"Russia and Belarus succeeded in moving further than other former USSR republics toward restoring and strengthening economic and political ties." With these words Russian Prime Minister Viktor Chernomyrdin opened talks with the Belarusian state delegation led by President Aleksandr Lukashenka.

Viktor Chernomyrdin said that the success attained earlier in developing bilateral relations should be not only consolidated with Belarusia's new leadership but developed as much as possible.

A wide range of economic relations, including the problem of uniting the two states' monetary systems, is the main subject of the talks that have started.

The head of the Belarusian state arrived in Moscow today and in the morning held talks with Russian President Boris Yeltsin.

'Positive Expectation' Over Bosnia Plan Noted

LD0208135194 Moscow ITAR-TASS World Service in Russian 1245 GMT 2 Aug 94

[By ITAR-TASS diplomatic correspondents Aleksandr Krylovich and Valeriy Sevryukov]

[Text] Moscow, 2 Aug—Russia's position is currently one of "positive expectation" in regard to the situation developing around the Geneva plan for a settlement in Bosnia-Herzegovina, Grigoriy Karasin, director of the Russian Foreign Ministry's department of information and the press, stated at a briefing today.

All the cards, both literally and metaphorically, are on the table, Karasin said. A well-balanced plan for territorial demarcation, which has been drawn up in some detail, is currently being examined by all interested parties, including the Bosian Serb leaders. If the Serb side accepts it, Karasin said, Russian diplomacy will take intensive measures to lift the international sanctions against Yugoslavia.

Churkin on Deadline for Bosnian Plan

LD0208150594 Moscow INTERFAX in English 1346 GMT 2 Aug 94

[From the "Diplomatic Panorama" feature: by correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] Russia is expecting an answer from Bosnian Serbs and the sooner the better, Interfax was told Tuesday by the Russian president's special envoy, Deputy Russian Foreign Minister, Vitaliy Churkin. Bosnian Serbs should not delay with a positive answer since it is a matter of days not weeks, he said. The diplomat said that at their third meeting in Geneva, the foreign minister of Russia, the United States and the countries of the European Union established no deadline before which Bosnian Serbs should give their answer to the peace plan. In line with the Geneva understandings in New York two resolutions,on tighter sanctions or on their canceling, are being drafted, depending on Bosnian Serbs' answer.

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Under discussion are also problems associated with the security zones, said Churkin.

He said that if Bosnian Serbs say "yes" to the peace plan, the process will advance swiftly in the positive direction.

Asked what is the probability of their saying "yes" or "no" to the peace plan, Churkin said: "The fact that Belgrade at last said a definite "yes" to the plan, creates a new situation. The problem went outside the Bosnian-Serb framework and became Serbian. The decisions taken by Bosnian Serbs affect the future of all Serbs. In other words, the leadership of the Bosnian Serbs should take into account the importance of the decision for all Serbs.

Churkin admitted that the tightening of sanctions against Belgrade, which gave its backing to the peace plan seems paradoxical to a certain extent. The question is what the material contacts (between Yugoslavia and the Bosnian Serbs—"IF") are yet untouched, he said. Belgrade always has a chance to dissociate itself materially from Bosnian Serbs, if it is dissatisfied with their behavior. In this case the problem of sanctions will appear otherwise. They are likely to be suspended (even if Bosnian Serbs will not back the peace plan—"IF").

Churkin described as wrong the reports saying that during his recent visit of Belgrade, Russian Defense Minister Pavel Grachev presented a Russian version of the peace plan for Bosnia. There is no such version. The question is to explain again the importance for the Serbs of the adoption of the peace plan worked out by the world community and to confirm the guarantees which Russia is prepared to give to the Serbs, said Churkin who accompanied Grachev during his visit.

Moscow Suspends Contacts With Bosnian Serb Leaders

LD0308115894 Moscow INTERFAX in English 1050 GMT 3 Aug 94

[Text] Moscow stakes on Belgrade and it has temporarily "frozen" contacts with the leadership of Bosnian Serbs who reject the plan for a peace settlement in Bosnia proposed by the world community, a high-ranking official of the Russian Foreign Ministry said in an interview with Interfax today.

He said that Moscow is attentively following all public statements made by the Serb leaders. "The statement of Serb President Slobodan Milosevic, made on Tuesday, in which he once again decisively supports the peace plan proves the intention of Belgrade to put an end to the bloodshed on the Balkans and to overcome its international isolation," the diplomat added.

He stressed that the Yugoslav media has begun to attack the leaders of Bosnian Serbs, including Radovan Karadjic. "The newspapers which praised him yesterday berate him today and call him an 'enemy of the Serb people'," he said. "Certainly, this is just a part of the internal political struggle. However, this clearly shows which direction the wind is blowing now in Belgrade," the diplomat said.

He said, "Bosnian Serbs have at least two weeks to think everything over. Of course, they may try to do with the world community plan the same they did to the Vance-Owen plan: try to bury it. However, this time it will not work."

Karashin Denies 'Tacit Collusion' in UN

LD0208153094 Moscow INTERFAX in English 1346 GMT 2 Aug 94

[From the "Diplomatic Panorama" feature: by correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] A report that there has been "a tacit collusion" in the UN Security Council is untrue. Russia allegedly supported a resolution on armed intervention in Haiti in exchange for approval of its peace-keeping activity in Abkhazia.

As the Russian Foreign Ministry's spokesman Grigoriy Karasin told Interfax Tuesday, "there is no direct link between these two issues."

In his words, what is important is "principles of settling conflicts and complex situations, which have gradually been settled." There is a fundamental difference between what's taking place in Haiti and what's underway in Abkhazia. In regard to Haiti, measures are under consideration to restore the democratically chosen government and leadership of that country. In as far as Abkhazia is concerned, a purely peace-keeping operation is under way there to resolve its conflict with Georgia, Karasin said.

"Russia is seriously concerned about the conduct of the illegal military regime in Haiti, which is perpetrating terror and violence in the country, preventing the restoration of civilian government," Grigoriy Karasin told a news briefing in Moscow on Tuesday.

He described the U.N. Security Council resolution of July 31 on Haiti as "a difficult but necessary step, reflecting the consistency of the Security Council's actions."

But Moscow also "takes into consideration the fact that far from all states supported the resolution, fearing that a precedent might be set for the use of force to solve international problems," Karasin continued. However, "the resolution is a specific response to what is a unique situation and must by no means establish such a precedent," he said.

"Russia attaches great importance to the complete transparence of the operation of coalition forces in Haiti sanctioned by the U.N. Security Council, which is essential to ensure the international community's confidence

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in the actions of the coalition forces and its support for the operation," Karasin said.

Communist Official Denounces UN Resolution on Haiti

LD0208154794 Moscow INTERFAX in English 1310 GMT 2 Aug 94

[Text] Deputy of the Russian Communists faction leader in the State Duma, Viktor Zorkaltsev, has denounced the UN Security Council resolution which sanctions the use of force by the U.S. for reinstating President Jean Bertrand Aristide in Haiti.

In an interview with Interfax on Tuesday, Zorkaltsev said that the Americans under UN cover are attempting to mark their presence in all regions, while the recent UN Security Council decision on Haiti will again give the United States the "status of world suppressor".

Zorkaltsev also spoke out against the use of Russian soldiers as part of the UN peace-keeping force. He said the forces have proved their inefficiency in the former Yugoslavia where the war is raging despite the presence of peace-keepers.

He said the use of the Russian peace-keepers will not be a success in the zone of Georgian-Abkhaz conflict. "Abkhazis are even calling us occupiers", said Zorkaltsev.

He said that no one had canceled the decision of the Congress of People's Deputies (dissolved together with the Russian parliament on September 21, 1993 by Russian President Boris Yeltsin), which bans the use of Russian armed units outside Russia. He said the Duma should seek compliance with the decision.

Wisdom of Invading Haiti Questioned

LD0208191994 Moscow Radio Moscow World Service in English 1710 GMT 2 Aug 94

[Excerpts] The possibility of using force to drive the military from power to restore democracy in Haiti has moved from the hypothetical to the realm of reality. The American marines' landing exercises in Puerto Rico have turned out to be a dress rehearsal for an invasion.

The landing of marines on the territory of any Caribbean country is not new to the Americans. Grenada and Panama are vivid examples of this sort of thing. But for the first time an American military action in this region will have the blessing of the international community, points out our commentator Yevgeniy Krishkin. Last Sunday, 31 July, the United Nations Security Council approved the use of military force against the Haitian military regime that ousted the democratically elected president of that country, Jean-Bertrand Aristide, in 1991.

Thus after three years of ultimatums, political pressures and economic sanctions, the resolution of the affairs has moved to the use of military force. The United States, together with Canada, France, and Argentina cosponsored the resolution of the Security Council, which was approved by 12 votes including that of Russia.

All the same, the planned operation cannot but raise some questions. Firstly, to what extent does this measure tally with the tasks and objectives of the United Nations? The issue at stake is, an interference in the internal affairs of a sovereign state, regardless of what sort of government is in control there. How justified is the military operation? Who can guarantee that the (?ouster) of the military in Haiti will be painless? Will it not lead to unnecessary and unjustified casualties? More crucially, can a country be made to embrace democracy by force of arms from the outside? And finally, will the American invasion help restore democracy in Haiti?

Previous experiences preclude any definite answers to these questions. Somalia has shown that intentions and the end results are not necessarily the same thing. The world in general and Latin America in particular are divided in their attitude toward a possible American invasion of Haiti. [passage omitted]

There is also the fear that if Aristide should be restored to power in Haiti by an intervention, he will be considered by many Haitians a puppet with no real powers. Meanwhile, a state of siege has been declared in Haiti.

Humanitarian Aid Proposed for Rwanda

LD0208194094 Moscow ITAR-TASS in English 1902 GMT 2 Aug 94

[By ITAR-TASS correspondent Konstantin Pribytkov]

[Text] Geneva August 2 TASS—"The Russian Federation sympathizes with the grave concern shown by the international community in respect of the disastrous humanitarian situation in Rwanda," said Yuriy Vorobyev, Russian deputy minister for emergency situations, who heads Russian delegation at the Geneva conference on aid to this African country.

When military clashes are dying down, urgent humanitarian aid and political stabilization in the country become the substantive challenges, he said.

The United Nations organized the conference, in which representatives of donor states and several nongovernmental bodies are taking part, to coordinate international efforts and search for additional means to help millions of Rwandians who have suffered much during the civil war.

The U.N. Department for Humanitarian Issues has called on the donor states to grant some 435 million USD toward financing humanitarian-aid operations scheduled for July-December 1994.

The Russian delegation intends to work out a plan for joint actions to be taken in the disaster area, Vorobyev told ITAR-TASS In an interview.

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Although Russia abounds in difficulties of its own, Russia must "co-participate in humanitarian actions on an equal basis" with the rest of the world in order to demonstrate that the great power should help its "neighbour" irrespective of political, national, religious and other factors", he said.

"I believe it is normal, all civilized countries should act like that," he added.

According to previous reports, in keeping with a bilateral agreement between the Russian Ministry for Emergency Situations and the office of the U.N. Supreme Commissioner for Refugees, Russia send 10 Kamaz trucks, auxiliary machinery and 25 drivers on a mission to Tanzania on May 18. They were to ensure deliveries of humanitarian aid from the Mwanza airdrome to Rwandian refugee camps.

Russia's presence in the disaster area has materialized in the form of 60 people and 30 trucks since June, in accordance with a request of the United Nations.

Russian representatives deliver tents, medical supplies, foodstuffs, drinking water, transport the refugees, train local drivers who will get the trucks after their contract expires.

In response to Butrus Ghali, U.N. secretary general, who called on the international community to give emergency aid to Rwanda, Russia sent a plane loaded with baby foodstuffs and milk powder to a refugee camp in Goma. All in all, Russia is expected to deliver 100 tonnes of humanitarian aid to Rwanda.

Yemen Grateful for Russian Stance on Conflict

MM0308083394 Moscow ROSSIYSKIYE VESTI in Russian 3 Aug 94 p 3

[Report by Pavel Vasilyev: "Gratitude for Support"]

[Text] The Russian Federation Foreign Ministry has received a message from the foreign minister of the Yemen Republic expressing gratitude for Moscow's objective position during the recent armed inter-Yemeni conflict and its high assessment of Russian diplomats' efforts to bring about a speedy end to the bloodshed.

In his reply Andrey Kozyrev reaffirmed our firm intention to preserve our traditionally friendly relations with the Yemeni people, to which Russia is linked by many years of fruitful and multifaceted cooperation.

U.S. Senate's Support for B-2 Bomber Viewed

LD0208190594 Moscow Radio Moscow World Service in English 1710 GMT 2 Aug 94

[Commentary by Vladislav Kozyakov]

[Text] A new U.S. military budget for the financial year starting on 1 October is being discussed these days at the conciliatory committee [as heard] of the Senate and the House of Representatives of the United States Congress. Our commentary has been prepared by Vladislav Kozyakov.

At first sight, the possibility of reducing expenditure on new armaments should be gratifying to most Americans. In the new financial year, [the] Pentagon will not buy tanks and some other types of weaponry from industries. Allocations on new military equipment are planned to be reduced to a record low level in the past 15 years. This can be accounted for by some favorable changes in the international situation and above all by new relations between Moscow and Washington.

But sometimes the inertia of an outdated way of thinking prevails over common sense, which made itself felt when the 1995 Pentagon budget was discussed in the Senate. The version of the bill which was approved in the Senate and is now debated at the conciliatory committee of both houses of the Congress, features the demands not only to preserve but also expand some of the programs for developing strategic weapons which were worked out during the Cold War years.

Senators insist, for example, that production of B-2 bombers should not be limited by 20 units, as proposed by the Administration and the House of Representatives. The Senate's bill envisages the allocations sufficient to build another 20 aircraft of this type, each worth $1 billion.

This program of arms production can hardly be explained in the present situation. The B-2 bomber was designed in the 1980's during the military confrontation with the Soviet Union. The [then] chief of staff of the United States Air Force, General Larry Welch, told the NEW YORK TIMES in November 1988 when the bomber was first shown to the public that the B-2 was meant for carrying out nuclear attacks on command posts of the enemy, points of dislocation [as heard] of Soviet civilian and military leadership. General Welch argued that the B-2 bomber can break through any defenses and that the Soviet Union wouldn't be able to defend itself.

What's the target of this huge fleet of B-2 strategic bombers? Given the present relations of trust and cooperation between Moscow and Washington, weapons designed for nuclear confrontation seem to be of no use.

New threats for international security have emerged; however, the old large-scale military plans are hardly necessary to counter these threats. The B-2 bomber cannot be used in such operations as in Somalia or in Haiti. It cannot be used against terrorists or states trying to produce nuclear weapons.

In the last few years as the international situation improved, the United States gradually reduced the B-2 program, so the demands of American senators to extend the program for years to come look strange.

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US, UK Nuclear Subs Spotted in Barents Sea

LD0208204394 Moscow Russian Television Network in Russian 1900 GMT 2 Aug 94

[From the "Vesti" newscast]

[Text] INTERFAX has been informed by a high-ranking official of the Main Directorate of the Russian Navy that three nuclear submarines, evidently American, have recently been spotted in the Barents Sea close to Russian territorial waters. Moreover, a British warship—the Sheffield—has been in close proximity to the area where the Northern Fleet exercises are being held. According to INTERFAX's informant, partners should not be tracking one another, but if somebody is tracking us then we will do—and already are doing—the same.

Bulgarian Navy Chief Praises Breeze-'94 Exercise

MM0308085994 Moscow KRASNAYA ZVEZDA in Russian 2 Aug 94 p 3

[ITAR-TASS report: "High Assessment of Breeze-'94 Exercises"]

[Text] Sofia, 1 Aug—In terms of its content the Breeze-'94 naval exercise that ended last week off the Bulgarian city of Burgas and in which warships from Bulgaria, Greece, Russia, Romania, the United States, Turkey, and Ukraine were participating together for the first time, was wholly in line with the requirements of the UN Charter regarding the use of forces in peacekeeping operations. That was the view of Vice Admiral Ventsislav Velkov, commander of the Bulgarian Navy.

In an interview published in the newspaper BULGARSKA ARMIYA he shared his views following the analysis of the results of the exercise. The exercise rehearsed operations to protect humanitarian aid convoys, to locate a stricken submarine, and to help a ship in difficulties. These aims, the Bulgarian military leader noted in this connection, were achieved thanks to the joint efforts of all the participants. Breeze-'94 can thereby be considered an effective contribution to building confidence and security in the region and a step toward further integration within the framework of the "Partnership for Peace" initiative.

Karasin on Nuclear Test Ban Treaty

LD0208170294 Moscow INTERFAX in English 1542 GMT 2 Aug 94

[Text] Russia is in favor of agreeing, within the shortest possible timetable, decisions on the main provisions of the multilateral treaty on a comprehensive nuclear test ban under international verification.

Russian Foreign Ministry Spokesman Grigoriy Karasin said at a briefing in Moscow today that such a position proceeded from the necessity to "create favorable conditions for success of the Conference on Extension of the Treaty on Non-Proliferation of Nuclear Weapons planned for 1995."

The two rounds of talks held for working out the treaty on a comprehensive nuclear test ban demonstrate, Karasin said, that all participants in the talks strive for constructive work.

Karasin announced that the third round of the talks, which began in Geneva on July 25, will focus on working out a draft of the treaty "even if it reflects a certain amount of discord." Karasin said this treaty must conform with Russia's interests as a nuclear power, it must not be a heavy burden from the financial point of view and must be simple to implement.

Nuclear Tests Seen Undermining Test Ban Moves

MM0208154994 Moscow KRASNAYA ZVEZDA in Russian 2 Aug 94 p 3

[Article by Manki Ponomarev: "Maneuvers by the Opponents of Nuclear Disarmament"]

[Text] The world public is entitled to expect 1995 to be marked by important steps toward curbing the nuclear arms race. First, the question of the indefinite extension of the Treaty on the Non-Proliferation of Nuclear Weapons will be decided at a special international conference. Second, it is planned to sign a comprehensive nuclear test ban treaty. The work on the text of this document is now coming to an end within the framework of the Geneva Conference on Disarmament.

Admittedly, another trend is developing at the same time: The opponents of nuclear disarmament are performing intricate maneuvers designed to wreck a future agreement. Thus, according to THE WASHINGTON POST, the Clinton administration has received a proposal to conduct a series of experiments involving "ultralow-yield" nuclear explosions. These experiments are known in scientific circles as "hydronuclear tests," that is, tests utilizing hydrodynamic methods for calculating the shock wave and other parameters of a nuclear explosion. They make it possible to verify whether nuclear munitions operate as planned.

These experiments are carried out by detonating a model of a nuclear warhead containing a relatively small quantity of fissionable materials. The yield of an explosion in a hydronuclear test is equivalent not to millions or to thousands of tonnes of TNT, as is the case with regular warheads [obychnyye boyevyye zaryady], but merely to tens of kilograms.

Does this essentially change anything as regards nuclear tests, however? Of course not. Detonating even a small charge contravenes both the spirit and the letter of the treaty under preparation, which envisages a truly all-embracing ban on nuclear tests for both military and peaceful purposes. Nevertheless staffers at the National atomic laboratory in Los Alamos claim that hydronuclear experiments are not the kind of operations that are usually regarded as nuclear tests.

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Even in the United States by no means everyone shares the view of the Los Alamos nuclear scientists and the opponents of nuclear disarmament who are exploiting their conclusions for their own ends. A group of senators recently sent a letter to President Clinton opposing experiments involving low-yield explosions. Such experiments, the senators wrote, "are similar in virtually every respect to high-yield nuclear tests" and may result in other countries interpreting them as a "dishonest moratorium on nuclear tests."

In connection with this whole saga the U.S. National Security Council has drafted a secret document, the contents of which have become known to THE WASHINGTON POST. The document examines four options for action on this problem, only one of which, however, envisages the possibility of deferring a decision indefinitely. The others contemplate: starting hydronuclear experiments immediately; conducting them following the completion of the international conference scheduled for next April and aimed at extending the Nuclear Non-Proliferation Treaty; or embarking on these experiments following the conclusion of a Comprehensive Nuclear Test Ban Treaty.

As far as is known, the United States has not yet reached a definitive decision on this score. Although the administration does approve the idea of a total ban on nuclear tests, it has not hitherto clarified whether this ban will also encompass hydronuclear experiments. This uncertainty plays into the hands of those who favor retaining and further improving nuclear weapons.

Talks on Joining GATT To Go Ahead in Fall

MK0208130494 Moscow NEZAVISIMAYA GAZETA in Russian 2 Aug 94 p 1

[INTERFAX report under the "In Brief" rubric: "There Are Many Questions To Put to Russia"]

[Text] The talks on Russia's joining the General Agreement on Tariffs and Trade (GATT) are expected to start this fall, Ivan Bolshakov, GATT department head of the Russian Federation Ministry of Foreign Economic Relations, has advised. In the course of the negotiating process, an expert analysis of the system of foreign economic regulation operating in Russia will be conducted, and the degree of the Russian Federation's readiness to bring its normative acts and the practices for their application into line with GATT requirements will be determined. Bolshakov has advised that most of the key GATT countries have to date forwarded to Russia on an unofficial basis more than 300 questions regarding the memorandum it submitted in February. Many questions are expected to come from the European Union, Russia's biggest trading partner. An official, "consolidated" questionnaire on the Russian memorandum, according to information of the Ministry of Foreign Economic Relations, will be drawn up by the GATT secretariat in the coming weeks.

Proposal for Permanent CSCE Executive 'Logical'

MM0308084394 Moscow KRASNAYA ZVEZDA in Russian 2 Aug 94 p 3

[Article by Aleksandr Golts: "Program To Update CSCE: United Nations for Europe?"]

[Text] The activity of the CSCE over the last few years has given rise to plenty of criticism. And quite deserved criticism at that: What is known as the system of collective security in Europe has proved unable to avert or settle conflicts that have flared up suddenly, be it the Yugoslav or the Karabakh conflict. But that is not the CSCE's fault, rather its misfortune, since the rules governing its operation were formulated in a previous age, when the main task was to prevent an East-West military clash.

The emergence of a Russian program to boost the effectiveness of the CSCE, prepared to coincide with December's upcoming summit-level meeting in Budapest, is based on a wish to overcome this institutional crisis in the most important European security structure.

The main thing that you notice about these proposals is an insistent effort to increase the CSCE's executive functions. This is the purpose served by the idea of assigning the CSCE the central role in ensuring security and stability on the continent. The CSCE must, in Moscow's opinion, coordinate the efforts of both states and regional institutions—the CIS, the European Union, the Council of Europe, NATO, the Western European Union, and the North Atlantic Cooperation Council [NACC]. The CSCE Charter should be formulated as a legally binding document.

At the same time the NACC is conceived as the CSCE's main military-political structure, involving the maximum number of states in its work. Russia is also proposing to adopt at the Budapest meeting a Code of Conduct embracing military-political norms for relations between states in the field of security, questions of democratic control over armed forces, the defense of human rights and national minority rights, and economic and environmental problems.

In my view, all this looks like the creation of a legal base for the implementation of one of the main proposals, which has provoked a by no means unequivocal reaction. Namely the creation within the CSCE of a body with limited membership on the lines of the UN Security Council. It could be a question of a CSCE Executive Committee of, for instance, 10 members (permanent and rotating). While the principle of consensus is preserved, the powers of the Executive Committee are confirmed annually by the CSCE Council of Ministers. Executive Committee decisions are adopted on the basis of unanimity and are just as binding as documents adopted by the CSCE Council of Ministers.

It is quite obvious that Russia's proposals boil down to creating for the CSCE area (which is by no means

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confined to Europe) a structure similar to the United Nations. In order for it to be able to step up its activity in defending human rights and the rights of national minorities (let us not forget the difficult position of the Russian-speaking population in a number of the post-Soviet states) and also averting and settling conflicts, and peacemaking.

It is, after all, only possible to plan and carry out peacemaking operations in the way that the Russian diplomatic service is proposing (a clear mandate laying down the political and military objectives of the operation, the command structure, composition of the forces, correlation of the military and civilian components, allocation of the financial burden, and commitments made by the party involved) if permanent CSCE executive bodies exist.

Thus, the Russian proposals are extremely logical and their aims understandable. But how interested are the other CSCE states in securing their objectives? And will such powerful military structures as NATO, for instance, agree to the CSCE's playing a coordinating role?

Diplomat Cited on Economic Cooperation With EU

LD0308083294 Moscow ITAR-TASS World Service in Russian 1832 GMT 2 Aug 94

[By ITAR-TASS diplomatic correspondent Dmitriy Grokhov]

[Text] Moscow, 2 Aug (ITAR-TASS)—Last year the European Union—Russia's major economic partner—accounted for over 35 percent of the Russian Federation's trade turnover with the 'far abroad'. This was reported today by Pavel Smirnov, director of the economic cooperation department of Russia's Foreign Ministry. The agreement on partnership and cooperation between the Russian Federation and the European Union signed in June makes it possible to achieve the required mode of interaction as the Russian economy gets ready for this, the diplomat said.

The departmental chief noted the fact that in accordance with the agreement the EU will not regard Russia as a country with a state system of trade, and that in its main features the mode of trade in goods must coincide with the mode adopted within the GATT framework. This refers in particular of the most-favored-nation treatment when levying customs tariffs and to the national regulations in the event of internal taxation of goods being imported.

The forms and areas of cooperation have been determined. They will develop in industry, agriculture, power engineering, space, pipelines, and news infrastructure. A stage-by-stage drawing together of Russia's economic legislation and EU rules is envisioned.

As in any negotiating process, when concluding the agreement the sides did not manage to come to an agreement on all issues. One of them concerned opening access for Russia to the resources of the European Investment Bank. It is true that a solution of this problem could also be found outside the framework of the current agreement.

"Our partners could adopt a unilateral independent decision permitting the bank to carry out operations in the Russian Federation," Pavel Smirnov told the ITAR-TASS correspondent. "Nothing more is required." He said that in a message to the countries of the European Union and the chairman of the European Commission, Russian Prime Minister Viktor Chernomyrdin again raised the question of granting the bank the appropriate powers.

The bank is already operating in eastern Europe and in the three Baltic states. As far as Russia is concerned, it is not so much expanding the opportunities for external borrowings as the wealth of experience of project financing within the sphere of infrastructure which the European Investment Bank has which is of special interest to it.

The Russian-EU agreement envisions the possibility of revising individual key obligations taking into account the progress of Russian reforms three years after Russia joined GATT, depending on what comes first. The negotiating process connected with Russia joining GATT will start this fall. It is complicated by the fact that the Russian economy is in a transition stage and will take, evidently, no less than two years.

EBRD Grants Loan To Strengthen Banking System

LD0208172194 Moscow INTERFAX in English 1542 GMT 2 Aug 94

[Text] The European Bank for Reconstruction and Development [EBRD] has signed a $100 million loan agreement with the Russian government to strengthen the Russian banking system. The program will involve 30-40 leading Russian banks, and will expand the range and improve the quality of banking services for privatized businesses.

The loan will be used to develop banking strategy, modernize information systems, and to improve the financial stability of Russian banks.

EBRD Vice President Ron Freeman said at the signing on Monday, that the program will enable EBRD to establish a better working relationship with Russian banks and improve their lending ability.

Origin of Seized Plutonium Traced to Bulgaria

MM0208135394 Moscow IZVESTIYA in Russian 2 Aug 94 p 3

[Report by Yevgeniy Bovkun: "Upon Close Examination, Russian Nuclear Mafia Turned Out To Be Bulgarian"]

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[Text] Bonn—The theory of the "Russian origins" of the "plutonium-239" discovered accidentally by German police in the possession of a local currency speculator continues to be embellished with improbable details in the mass media despite being refuted by the Chancellor's Office, investigative organs, and scientific experts in the FRG (see IZVESTIYA No. 136).

The latest suggestion is that a container of plutonium was "stolen from the Kurchatov Institute." Now this theory has burst like a soap bubble. The trail from the garage in the provincial city of Baden-Wuerttemberg, where the police discovered the "plutonium-239," led to Bulgaria.

Small trader Jaekle, from whom the "container" of plutonium was confiscated and who is languishing in a Munich detention center, admitted receiving the "item" from one M. Mitko, a citizen of Bulgaria. M. Mitko himself confirmed this. He is prepared to sell nuclear materials in great quantities to anybody who wants them via the Bulgarian firm "Inteks." Staffers at the newspaper WELT AM SONNTAG telephoned Sofia and got this answer: "We can supply you with plutonium. No problem. But I cannot say how much time this will take—two weeks or a month. Everything depends upon the suppliers. Send your order by fax, and we will be in touch."

A fictitious order was sent, and in response M. Mitko's employees confirmed that he "will supply the goods." The Bulgarian then added that he can export the "plutonium-239" using completely legal documentation.

There is no reason to doubt this. In the 1960's, M. Mitko worked as a trade adviser to Bulgaria in Frankfurt-am-Main and he had reliable high-level contacts in virtually all the then socialist countries. He enjoyed friendly relations with the director of the "Inteks" firm, set up with the assistance of the Bulgarian secret services for illegal trading in weapons. It is now known that "Inteks" supplied Western dealers and terrorists in the Near and Middle East with weapons.

In recent years "Inteks" has cooperated closely with Saddam Hussayn's regime, helping him to implement a military nuclear program. The Konstanz Prosecutor's Office and the criminal police departments of Baden-Wuerttemberg and Bavaria suspect that the "plutonium-239" discovered in Jaekle's garage was in fact destined for Iraq.

In the documents confiscated from Jaekle, the names of Iraqi clients come up again and again. One of them was successfully identified by the German secret services. He is directly involved in Saddam Hussayn's efforts to build a nuclear bomb.

Incidentally, it is the same kind of plutonium which was confiscated in November 1992 during a search of the "Sheraton" Hotel in Sofia. It, too, was destined for Iraq. All this gives grounds to talk about a "Bulgarian-Iraqi" nuclear mafia.

In Bonn political circles, it is not ruled out that the furor over the "Russian nuclear mafia" was just a decoy.

Agreements on Withdrawal From Estonia Legalized

LD0208160794 Moscow ITAR-TASS in English 1443 GMT 2 Aug 94

[By ITAR-TASS diplomatic correspondents Aleksandr Krylovich and Valeriy Sevryukov]

[Text] Moscow August 2 TASS—A package of agreements on Russian troops withdrawal from Estonia has been legalized, Head of the Russian Foreign Ministry's Information and Press Department Grigoriy Karasin told a briefing here today.

The agreement on the procedure and time to lay up nuclear reactors and ensure nuclear and radiation safety on the Estonian Pakri peninsula was signed in Moscow on Saturday to finalize this process.

In the words of Karasin, this document "passes over in the Estonian property by September 30, 1995, the Russian Navy's facility with the reactors and radioactive waste storages located on the peninsula after unloading and transporting to Russia the worked-out nuclear fuel and laying up the reactors".

The agreement specifies the sides' obligations on nuclear and radiation safety when unloading and transporting the workedoput nuclear fuel. The Russian side has confirmed that "neither provisions of this agreement can be used to give the Russian Navy's facility the status of a military base".

The document clearly confirms the rights of Russian specialists, who are laying up the nuclear reactors, and members of their families, including the right to property—houses, apartments and countryside cottages. The specialists and members of their families shall freely bring to Russia their movable property without paying customs dues or other collections.

Official Says Kiev-Crimea Rapprochement Possible

LD0208191894 Moscow INTERFAX in English 1800 GMT 2 Aug 94

[Text] Moscow is keen to see Ukraine and Crimea sign a power sharing agreement to help defuse tension in their relations, head of the State Duma's committee for CIS affairs Konstantin Zatulin said after a recent visit to Kiev and Simferopol.

In an interview with Interfax, Zatulin said the theme was high on the agenda of his meetings with Ukrainian and Crimean Presidents Leonid Kuchma and Yuriy Meshkov. He said that although Kuchma held out promises of such a deal during his election campaign, many of his former opponents advised him to drop the idea.

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Zatulin believes that the proposed law on local councils, currently being discussed by the Ukrainian parliament, will give by far the greater say to the chairman of any local council than the Crimean president has under the present power sharing deal.

He is also convinced that a stable relationship between Kiev and Simferopol is equally important for the signing of a comprehensive treaty between Russia and Ukraine.

Black Sea Fleet Festivities Mark Navy Day

MM0208134394 Moscow KRASNAYA ZVEZDA in Russian 2 Aug 94 p 1

[Report by Vladimir Pasyakin: "Flags On Ships"]

[Text] Sevastopol—Navy Day has been celebrated in all the fleets. The Black Sea sailors have received congratulations from Presidents Boris Yeltsin and Leonid Kuchma.

In formation were the Moskva ASW cruiser, the Bezukoriznennyy, the Skoryy, and the Sderzhannyy escort ships, a submarine commanded by Captain Second Class Konstantin Vasiltsev, and the ocean minesweepers Vitseadmiral Zhukov and Radist—16 pennants in all. Hero of the Soviet Union Admiral Eduard Baltin, commander of the Black Sea Fleet, reviewed the ships from a launch and congratulated the crews on the holiday. He reviewed the naval parade.

Numerous delegations from Russian and Ukrainian cities and sponsors of Black Sea Fleet sailors from Moscow, Belgorod, Kursk, Orel, Voronezh, Lipetsk, and Krasnodar Kray have arrived in Sevastopol. The naval parade and the water sports festivities were attended by President Mintimer Shaymiyev of Tatarstan; Yuriy Meshkov, Sergey Tsekov, and Yevgeniy Saburov, respectively president, chairman of the Supreme Soviet, and vice premier of the Republic of Crimea; and Russian State Duma members Konstantin Zatulin, Nikolay Gonchar, and Sergey Baburin....

That evening the Black Sea Fleet Song and Dance Ensemble gave a joint concert with artistes from Moscow and Orel. Sevastopol Bay was then lit up by festive fireworks.

Karasin Notes Moscow's Position on Tajik Talks

LD0208144094 Moscow ITAR-TASS World Service in Russian 1250 GMT 2 Aug 94

[By ITAR-TASS diplomatic correspondents Aleksandr Krylovich and Valeriy Sevryukov]

[Text] Moscow, 2 Aug—Without intervening in the armed clashes between the Tajik sides on the territory of Tajikistan, the collective peacekeeping forces and Russian border guards will continue to take the most decisive measures to protect the border between Tajikistan and Afghanistan, Grigoriy Karasin, director of the Russian Foreign Ministry's Information and Press Department, said at a briefing today.

Russia, he stressed, favors the continuation of the inter-Tajik dialogue, particularly under the aegis of the UN, and the achievement of national reconciliation with the free consent of the Tajik people. The Russian diplomat expressed the hope that the latest round of inter-Tajik talks would lead to the signing of an agreement to halt the shooting and other hostilities.

According to G. Karasin, Ramiro Piriz-Ballon, UN special envoy to Tajikistan, arrives in Moscow today for consultations with the Foreign Ministry and other departments on issues related to the problem of settling the inter-Tajik conflict.

Tajik 'Militants' Crossing Into Afghanistan Stopped

LD0208154294 Moscow INTERFAX in English 1310 GMT 2 Aug 94

[Text] Russian troops guarding Tajikistan's borders on Monday stopped a group of Tajik opposition militants from crossing into the former Soviet republic from Afghanistan, a Russian border guard spokesman said.

He told Interfax that the 35-member armed opposition group had landed on a Tajik island in the Pyandzh River and had been spotted there around 7 a.m. by Russian guards who opened artillery and mortar fire, killing three militants and driving the rest back onto Afghan territory.

The same day, a Russian border guard squad was attacked by unidentified gunmen in the republic's Khorog area but suppressed the assault by return fire, none of the guards having been hurt, the spokesman said.

Middle East Envoy Comments on Peace Process

LD0208161194 Moscow INTERFAX in English 1346 GMT 2 Aug 94

[From the "Diplomatic Panorama" feature: by correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] There is nothing dramatic in the recent remarks made by Egyptian President Husni Mubarak that Damascus would not sign a peace treaty with Israel until the latter hands back the Golan Heights, Russian presidents special envoy in the Middle East Viktor Posuvalyuk told Interfax Tuesday.

He said that Egypt occupies a unique position in the Middle East peace process because it has fraternal relations with Syria and normal relations with Israel making confidential contacts with that country possible.

Posuvalyuk explained that Egyptians hold their hand on the pulse of Damascus's moods and their statements

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must guide all the parties involved in the conflict, in particular the Russian co-sponsor.

Posuvalyuk added that the Syrian position did not spell the end of the world. He believed that irreversibility of changes in the Middle East were the most important development. Posuvalyuk said that there would probably be no replay of full-scale Arab-Israeli wars that used to shake the region since 1940s. He said that patient political and diplomatic work was needed at this stage of the peace process.

Posuvalyuk explained that Moscow supported both the formula of full peace and full normalization in exchange for complete withdrawal and the opinion that those lands are occupied and have to be left. He said that specific deadlines, procedures and conditions had to be negotiated.

Posuvalyuk said that these delicate matters would be discussed when the Syrian Foreign Minister Faruq al-Shar' visited Moscow next fall.

Posuvalyuk intends to visit Damascus, Beirut and other capitals of that region in his capacity of special envoy before the arrival of al-Sharaa.

Posuvalyuk said that Jerusalem was the most delicate and complicated issue in the Middle East peace process and there was no point in pressing it at this stage.

He believed that all parties in the conflict had to adhere to the formula that this issue should not be raised before agreement was largely reached on other issues.

Iraqi Embassy Urges Support for Baghdad Initiative

LD0208162394 Moscow ITAR-TASS in English 1534 GMT 2 Aug 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow August 2 TASS—A statement of the Iraqi Embassy in Moscow circulated here today noted the U.S. refusal to admit the Iraqi fulfilment of its obligations at a time when the majority of U.N. Security Council members, including Russia, China and France, has stated it.

President Saddam Husayn praises the stand of Russia which calls for the lift of economic blockade of Iraq, says the document.

Husayn has put forward a new initiative to open doors to positive cooperation with the neighbouring Arab states which opposed Iraq in the Persian Gulf developments, notes the statement.

Iraq hopes that these initiatives will be taken with understanding by the Russian leadership, government, parliament, heads of political parties and movements and all Russian communities who will help their success, bearing in mind the role of Russia as a great power and its friendship with Iraq and other regional states, says the document.

Arms Deal With Kuwait Estimated at $800 Million

LD0308124794 Moscow Russian Television Network in Russian 1200 GMT 3 Aug 94

[From the "Vesti" newscast]

[Text] Kuwaiti Defense Minister Shaykh Ahmad al-Humud al-Jabir al-Sabah said that his government will soon sign an agreement with Moscow to buy a consignment of Russian arms. The minister gave no details about the value of the deal or about the types of arms being purchased.

It is thought that armored personnel carriers equipped with missiles and specially adapted to desert conditions will be delivered. Unofficially, the deal is thought to amount to some $800 million.

The press service of the Rosvooruzheniye State Company has so far refrained from comment

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Political Issues

Chernomyrdin Holds News Conference in Petrozavodsk

LD0208210094 Moscow Radio Rossii Network in Russian 1900 GMT 2 Aug 94

[Text] The third package of economic decrees by the Russian president is due to be drawn up during August. This was reported today by Viktor Chernomyrdin, head of the Russian Government, at a news conference in Petrozavodsk held at the end of his visit. He described the situation as anarchy when wages have not been paid for months at a number of enterprises. Chernomyrdin noted that such a situation should be changed urgently.

The head of government called for the presidential edict on combating gangsterism to be implemented, despite the fact that a number of its provisions—according to Chernomyrdin—are not in keeping with human rights.

Comments on Trust in Government

LD0208211894 Moscow ITAR-TASS World Service in Russian 1720 GMT 2 Aug 94

[by ITAR-TASS correspondents Gennadiy Yezhov and Vladimir Zlobin]

[Text] Petrozavodsk, 2 Aug—"By not paying workers decent wages, we are abetting arbitrariness," Viktor Chernomyrdin, head of the Russian Government, said at today's news conference in Petrozavodsk after completing his working visit to Karelia. In the prime minister's view, there is only one way to solve the problem—to provide people with work and not to let plants and factories stand idle.

"But even given all the difficulties which the country, including Karelia, is going through, I have not heard a single hostile word during my three-day tour of the republic," Viktor Chernomyrdin said when answering a question about his impressions from meetings with northerners. He expressed confidence that the people have not yet lost trust in the government.

The head of the Cabinet of Ministers said that a special government decision on Karelia is being prepared to support the northern region's leading economic branches, especially the development of the forestry complex.

Studies Timber-Producing Industry

LD0208182294 Moscow ITAR-TASS in English 1541 GMT 2 Aug 94

[By ITAR-TASS correspondents Vladimir Zlobin and Gennadiy Yezhov]

[Text] Petrozavodsk August 2 TASS—Russian Government intends to support domestic producers and will neither decrease nor cancel import taxes in the near future. Russian industry must get ready for a tough competition, which is unavoidable.

Russian Premier Viktor Chernomyrdin voiced these theses on Tuesday. Chernomyrdin, who has been studying Karelia's economic problems for a third day running, familiarized himself with the situation in the timber-industrial complex on Tuesday.

In the near future, forestries, timber-producing and processing plants and also related machine-building enterprises based in Karelia may go bankrupt because of a tough international competition, Chernomyrdin warned.

According to him, the only wayout consists in coordinated policy of all the enterprises concerned.

However, timber-producers and those who turn out indispensable machinery for them differed in their requests. The former insisted that the government cancel import duties for foreign machinery, whereas the latter demanded that the government raise import duties and thus protect domestic producers.

Returns to Moscow From Karelia

LD0208181994 Moscow ITAR-TASS in English 1757 GMT 2 Aug 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow August 2 TASS—Russian Prime Minister Viktor Chernomyrdin returned to Moscow tonight upon the completion of a three-day visit to Karelia.

"The only way to pay worthy salaries to the workers is to give people jobs and prevent breaks in plant operation," the prime minister told a news conference before his departure from Petrozavodsk.

"Despite all the difficulties the country, including Karelia, is living through, I did not hear a single malicious word during my three-day visit to the republic," said Chernomyrdin. He thinks that the people still trusts the government.

Shakhray Praises Chechen Provisional Council Decree

LD0208153794 Moscow ITAR-TASS in English 1453 GMT 2 Aug 94

[by ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow August 2 TASS—"The decree on power adopted today by the provisional council proves that the Chechen Republic has forces capable of normalizing relations with the federal authorities and preventing an increase of the crime rate," Russian Vice-Premier Sergey Shakhray told an exclusive ITAR-TASS interview today.

In his words, "the provisional council has proclaimed the tasks and principles on which depends the preservation of the Chechen nation". The vice-premier stressed it

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is important that elections have been announced. "Only the people itself can determine its future in the only democratic way of elections," said Shakhray.

He praised the decree for its "genuine wish to normalize relations with the federal authorities and settle the Chechen crisis". Shakhray said it is impossible to normalize the situation in northern Ossetia and Ingushetia without a Chechen settlement.

Forecasting future developments, the vice-premier said that the government "will hold consultations with all the Chechen political forces and movements".

As for possible consultations with the provisional council, the vice-premier said the government will "hold negotiations" if the provisional council forms a delegation.

Police Use Truncheons Against Rioting MMM Shareholders

LD0208201294 Moscow INTERFAX in English 1853 GMT 2 Aug 94

[Text] Moscow police and OMON [Special Unit Militia Detachment] special troops had to use truncheons Tuesday to put down a riot of investors outside the central office of the MMM company. The crowd had come to redeem their shares at the July 28 rate. They sought to submit an urgent statement to the Commission on Emergencies. The crowd outside the office was estimated to be about 2000 people.

A police officer told Interfax that a stampede occurred at about 17:00. There were injuries. In particular, a woman fell down the stairs and broke her leg. Others received bruises in the melee.

Rumors of MMM company officials stealing shares and cash add to the tension mounting in the crowd inside and outside the office. About 270 police and OMON troops are stationed around the office and two ambulances are standing by.

A Commission on Emergencies official told Interfax that the MMM personnel had obstructed the commission's work. In particular, some names have been deleted from the commission-approved lists of people to whom money is to be paid at the July 28 rate.

Public Chamber Reviews Human Rights Situation

MK0208123594 Moscow KOMMERSANT-DAILY in Russian 2 Aug 94 p 3

[Nika Stark report: "There Have Been No Human Rights in Russia; There Are None, and There Won't Be Any Time Soon"]

[Text] Last Saturday's session of the Public Chamber under the president discussed problems of observing human rights and freedoms in Russia. According to Sergey Kovalev, chairman of the Human Rights Commission under the Russian president, so far the Russian people are virtually helpless before bandits, the arbitrariness of bureaucrats, and cheating by both the state and commercial structures.

Sergey Kovalev's report draws an appalling human rights picture in Russia. The past year has seen violations of the rights of refugees and forced resettlers, convicts, and military servicemen. The same applies to freedom of movement, freedom to choose a place of residence, regular labor activity, and citizens' right to information. Kovalev expressed his regret over repeated cases of "disregard for human rights" on the part of the power structures, stating once again that the president's edict on combating banditry "seriously violates" citizens' rights.

The situation around the joint stock company MMM was discussed as a graphic example of violation of the Geneva Convention. Thousands of cheated followers of Lenya Golubkov and Marina Sergeyevna [popular characters in MMM's television commercials] moved the Public Chamber members to tears.

As a result, on Monday the Public Chamber's Security Commission demanded a scrupulous investigation of MMM's activities. This demand was sent to the Russian president. Furthermore, commission members asked the State Duma speaker and deputies to interrupt their vacationing and urgently pass laws on advertising, the issuing of securities, and joint-stock companies. Yet if the Pubic Chamber engages in a legal public awareness campaign itself (what else can it do?) and begins to educate citizens in "legal self-defense techniques," then the deputies' immediate return for whatever reason from the southern health resorts will be very unlikely.

Democrats' Statement in Runup to Congress Idealistic

MK0208124594 Moscow KOMMERSANT-DAILY in Russian 2 Aug 94 p 3

[Lev Sigal report: "Khakamada Believes the Time Has Come to Reap What Has Been Sown"]

[Text] Irina Khakamada, a "Decembrist" popular in the democratic milieu, has completed work on the draft "Statement by Democratic Organizations on the Convocation of a Congress of Reformist Forces in the Name of Reviving Russia." The congress, called upon to consolidate the rightists (supporters of Gaydar, Yavlinskiy, Shakhray, and others), is to be held in October. However the statement, which is designed to provide a basis for this consolidation, is rather imprecise.

Whereas the leftists have Accord for Russia, with regard to rightists, the process of consolidation has not moved beyond the wishing stage. Moreover, originally Russia's Choice considered itself to be the sole democratic organization, stigmatizing all others as renegades and dissenters. This last spring an idea emerged to convene a

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congress of democratic forces which would at last unite reformist organizations. The father of this idea was presidential chief of staff Sergey Filatov.

Now it also has a mother: Irina Khakamada, a personality acceptable to many rightists owing to her personal charm, bookish idealism and—what is most important—affiliation with a small organization which is not laying claim to domination: a Duma group, the 12 December Liberal Democratic Union. Khakamada's statement declares abstract adherence to the "ideals of freedom, labor, and human dignity," and rejection of "violence, demagoguery, and injustice." The reforms are said to have "laid down the foundations for our country's future might and grandeur" and at the same time they were "paid for with the costly price of human privations." According to Khakamada, now the reforms "are bound to bear fruit... allowing the majority of Russian citizens to live and work decently." The congress' main task is to "agree on creating a reliable mechanism for coordinating efforts in parliamentary and presidential elections."

According to informal reports, the presidential administration is also expecting more concrete results from the congress. At best, this would mean the approval of the idea of extending presidential and parliamentary powers, and at worst, the refusal to nominate alternative candidates to Boris Yeltsin in the elections. Even so it is too soon to speak about reformist organizations (except for Russia's Democratic Choice) supporting not only these plans but even the very idea of the congress.

Economic Issues

Government Must Heed Grain Growers' Needs

MM0308101794 Moscow ROSSIYSKIYE VESTI in Russian 3 Aug 94 p 1

[Report by Yuriy Petrov: "Centralized Grain Imports a Thing of the Past?"]

[Text] Representatives of Russia's biggest grain producers—the North Caucasus, Voronezh and Saratov Oblasts, Kalmykia, and Orenburg—meeting in Rostov, have held talks on grain prices. According to their estimates, the price of a tonne of wheat from the new harvest will range from 171,000 to 300,000 rubles [R] depending on the quality. This means that a one-kilogram loaf will, by simple arithmetical calculation, cost ordinary Russians R1,500. Will this modest conference of grain monopolists in Rostov really result in a surge in the bread price?

Meanwhile the arguments about whether or not we should import grain from abroad are getting fiercer with every passing day. Vice Premier A. Zaveryukha, who is in charge of the country's agrarian sector, states with no hesitation that centralized grain imports are a thing of the past. The reason for this categorical opinion is that this year the harvest looks pretty good—at up to 95 million tonnes. Moreover, there are considerable reserves from last year and even the year before last. Although preliminary estimates show that there will not be a surplus overall, nonetheless it will be possible to get by with our own resources, without the support of our rich foreign uncle.

Specialists who share this view consider it no less important to look at the strategic thinking here—to stop Russian producers from being stifled with overseas goods. If the floodgates were opened to centralized supplies, then, they calculate, grain production in Russia would have to be cut at least by one-third. So, despite the fact that there is a small overall shortfall, it would be more expedient to stop the imports.

Experts from the Ministry of Agriculture and Food take an identical position. They are also optimistic about the outlook for the harvest and about likely purchase prices. Staff at the "Roskhleboprodukt" and "Eksport-khleb" organizations are not voicing any particular concern in this connection. In their opinion, the gradual reduction in grain imports into Russia is entirely natural and understandable—in 1992 imports were 24.7 million tonnes, whereas in 1993 they came to 10.7 million tonnes (in other words, down by more than half). They also agree that it will only be necessary to import grain from other countries for those remote areas where deliveries from central regions would be considerably more expensive. For instance, it would cost R250,000 to ship a single tonne of grain from Stavropol to the Far East! Naturally, this is a waste of money—it will be more advantageous to buy that tonne from the United States or Canada.

But that is probably where the approximate concurrence of views end. Subsequently we run into doubts and differences. Above all, about the predictions about the harvest: These range from 85 to 95 million tonnes—that would be the biological harvest under favorable conditions. But even favorable climatic factors will not help those farms which lack equipment (on some of them combine harvesters are having to be used on 300 hectares instead of 50-70). And a considerable number of farms lack fuel stocks. This means that the losses will be appreciable. And conditions are far from normal even for storing the harvest—at times it is impossible to store it under cover. Existing warehouses and threshing floors are not being repaired. We have even grown accustomed to seeing grain being "sown" during transportation to silos and threshing floors.

But let us get back to prices. Specialists believe that things will not come to the point where there is a threefold increase in the price of bread. After being harvested, grain has to be stored, protected from pests, transported, and so forth. Clearly, all this does not make it any cheaper and could result in a fivefold increase in the bread price. At the same time, the agrarian lobby believes that grain producers face a deadly danger unless the price of the grain from the new harvest increases.

Only it is not entirely clear why. Different sources cite last year's level of profitability for grain production of

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184 percent (it sometimes reached 300-400 percent on certain farms). At the same time, grain production could develop with 35- to 36-percent profitability (the figure in the West is 10-15 percent). At an average price for new wheat of R222,000 per tonne, profitability will be higher than it was last year. Admittedly, the Ministry of Agriculture and Food calls this a paper profit, since the money for the grain sold will reach the peasants very late, and inflation will eat away at the value sometimes to the point where it is no longer recognizable. And, indeed, "Roskhleboprodukt" only recently settled up its final debts to grain suppliers. But one thing is clear—at the moment grain production is far from being loss-making, much less on the point of expiring.

It is also important not to lose sight of a very important "detail": the real leap in apartment rents and charges for municipal services as of August will be joined by a surge in the price of bread—the basis for the lives of most of the population. It is no secret that meat, milk, and butter consumption is declining, while consumption of bread and potatoes is growing. You cannot help asking whether Russians will be able to cope with this latest problem. Will we not be leaving them without a piece of bread—which will be beyond their means despite the good harvest? Will the specter of "hunger riots" loom in the near future? Our procurement workers, judging by their statements, have no desire at all to feed other countries' peasants at the expense of Russians. But will not foreign bread be cheaper than the Russian variety if prices surge in this way?

In short, there are still many unanswered questions. We still have time to weigh everything up, look into prices, calculate how much grain we have left, and make the right decision. And, in so doing, we cannot get by without an active position from the Government, which simply cannot remain as an onlooker.

Yeltsin Adviser on Economic Prospects

MK0208105094 Moscow SEGODNYA in Russian 2 Aug 94 p 1

[Mikhail Leontyev report in the "Tactics" column: "A Planned Inflation 'Hump' Is Scheduled for August-September. Aleksandr Livshits Predicts 'Stabilization Russian-Style' by the End of 1995"]

[Text] Speaking at a seminar at the Moscow School for Political Studies in Golitsyno near Moscow, Aleksandr Livshits, chief of the economic experts group under the Russian Federation president, offered a fairly frank description of the administration's vision of the economic situation and further steps in the direction of economic stabilization. His frankness is apparently facilitated by the robust optimism experienced by the president and government in looking at the current market situation. Certain remarks by Aleksandr Livshits suggest that the views of these two power branches differ barely enough for an outside eye to notice: Whereas the government's optimism tends to be more "robust," the presidential administration is inclined towards "restrained" optimism.

Livshits regards the passage from general decline with high inflation to structural decline with low inflation as the main achievement in the current situation.

The inflation index, which remained at a record low in June (4.8 percent according to official data), will, by tentative estimates, not exceed 6.5 percent in July. In the future, according to Aleksandr Livshits, a "hump" is inevitable, estimated at 10 percent for September. Our preliminary appraisals always err by 2 percent for the worse. To keep up a good tradition, I shall use the figure of 12 percent. Failure of the "hump" to materialize, according to Livshits, would be a sad event.... Until mid-August some very serious credit infusions by the Central Bank will be required. Aleksandr Livshits "ventured" to disclose the figure of additional infusions: not less than 6 trillion rubles. The directions of these seasonal infusions are so traditional that the president's chief economic adviser did not even bother to mention them. These are "northern supplies," the "harvesting campaign," and so forth.

"There is not the slightest wish to do this but we see no grounds for not doing it." Livshits described the strategy for further financial stabilization: In 1995, the task is to reduce seasonal inflation "peaks" to 6 percent and bring inflation down to 2 percent a month by the end of 1995. "What next? Next we shall call it a day." This, according to Aleksandr Livshits, will be "stabilization Russian-style...."

Such financial stabilization means 30-35 percent inflation until the year 2000 which, in the administration's opinion, will allow for the problems of economic stabilization to be addressed and for the gradual revival of investment activity to occur. The parameters described by the president's chief economic adviser can be recognized as realistic, considering that the president's political adviser Satarov is aware of an acute "vacuum in the social- democratic spectrum." This vacuum is usually filled by a budget deficit.

Aleksandr Livshits pointed to a number of serious problems in current economic policy. In particular, the problem of adequate statistics. The only instance when State Statistics Committee data could be correlated with another source was the comparison of import figures as cited by the Customs Committee. The discrepancy is enormous: from $3.9 billion according to the State Statistics Committee to $6.6 billion according to the Customs Committee for the same first quarter of 1994. If the unregistered import is added in—no less than $800 million—this would make a two-fold difference. "I would not be surprised if the situation is similar with other indicators," Livshits observed.

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Aleksandr Livshits dwelled on a new draft law on the Central Bank. The agreement reached between Gerashchenko and Fedorov on this draft evokes the administration's satisfaction, mixed with serious misgivings. The law, according to Livshits, "is entirely satisfactory, except for the provisions regarding who will control Central Bank activity, how, and to what extent."

Today the Central Bank's uncontrolled credit emission in circumvention of the so called credits commission is fairly moderate and does not pose a serious threat. With the new law, in the presidential chief economic adviser's opinion, "there will be no guarantees."

Aleksandr Livshits mapped out the main lines in the president's and government's activity in the sphere of economic reform. On top of the list are the tasks of the second stage of privatization, and a tax reform. The documents are to appear this summer.

Next come measures in the area of market organization of wholesale trade where the administration for some reason is seeing a "movement away from the market."

Then the development of non-state forms of social protection; protection of citizens' rights on the securities market (where, according to Livshits, "we are late by at least a year"); and working out a conversion mechanism geared toward dual use technology.

The statement by the influential presidential economic adviser shows that the Russian leadership has chosen a tactic which can be described as "gradual stabilization" with elements of tactical social maneuvering. As Aleksandr Livshits pointed out, the main thing is for the reforms not to stop. This is like "the effect of bicycle riding without any stops. One may even turn to the left in order that later it is possible to turn right. What is important is that it should not stop moving."

One can only bow to the restraint and consistency of such an approach; after all the world experience of "gradual stabilization" has never been successful. Even where economic restrictions allowed continued "maneuvering," this was severely obstructed by political limitations....

Government 1995 Investment Policy Detailed

MK0208132094 Moscow KOMMERSANT-DAILY in Russian 2 Aug 94 p 2

[Report by Vladislav Borodulin: "Investment Policy Concept Has Been Drawn Up. State Will Fulfill its Obligations Starting 1995"]

[Text] The simultaneous emergence of two government documents determining the main areas of government investment activity—the decree "On the Federal Investment Program for 1994" and the draft concept of state investment policy for 1995—is just a coincidence. The decree was released for official distribution yesterday, while the concept has just been passed to the government staff for consideration, thus entering the last stage of a draft's transformation into an official document.

Despite similar-sounding titles and the common subject, the government documents have fairly significant differences. The decree specifies—after a six-month delay—the list of construction projects the state is willing to finance. Naturally, the allocation of cash has always held particular interest for government bureaucrats, unlike the discussion of the principles of investment policy. This time around, this was also the case. The federal investment program was passed, but that took far more than one reading. As for the concept drawn up by the Economy Ministry, it sets forth a number of drastic innovations.

First of all, it is the first time that a government document stipulates the need to concentrate the state's efforts on carrying out its direct responsibilities in the investment area. Approximately 75 percent of state investment, or around 1.5 percent of GDP, is planned to be spent on financing federal-level projects whose financing from other sources is impossible or unlikely. In particular, these are housing construction for servicemen, the development of social infrastructure, and conversion. The remaining money (around 0.5 percent of GDP) will be funneled into highly effective projects that "make it possible to create incentives for the emergence of sectors of growth."

Another fairly important proposal is, strictly speaking, not a novelty. The idea of accumulating depreciation payments on special accounts has been going the rounds in the government for up to two years now. Its crux is that depreciation payments must be in the end transferred from an enterprise account to a Joint Depreciation Fund [JDF], whose money may only be used for investment purposes. It is expected that the fund will operate as a trust-style financial organization to help its customers' deposits to grow. A statute on the fund is scheduled to be drawn up as early as the first quarter of next year.

The reason for yet another renaissance of this idea is evident—it is the state agencies' desire to influence producers' investment policies one way or another and to prevent them from "eating their money away." The administrative intervention in the affairs of enterprises looks all the more illogical because in their scenarios, Economy Ministry specialists seriously count on the "voluntary" increase in investment as a result of the general easing of the tax pressure and a downslide in inflation.

Moreover, the Economy Ministry is ready to take the next move and to create what effectively amounts to a parallel currency. According to the ministry's proposals, depreciation funds must form a capital market where they will be able to buy and sell "JDF rubles." Meanwhile, the go-ahead for the free trade in "JDF rubles" will effectively bury the initial idea of preventing enterprises from frittering away their money. Furthermore,

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the aim of buying this kind of "money" is absolutely incomprehensible because those same machine-tools can easily be bought with regular rubles.

Such operations will only make sense if interest payments on JDF deposits considerably exceed those on regular bank deposits—or if the state sets "special" prices for "JDF rubles."

[Article includes the following boxed passage]

The main principles of government investment policy in 1995

—Consistent decentralization of the investment process on the basis of increasing the role of enterprises' internal savings sources;

—State support for enterprises through centralized investment, with emphasis to be shifted from free financing to returnable, interest-bearing credits;

—Investment of limited centralized resources and state financing strictly in accordance with federal programs for specific purposes;

—Tighter state control over federal budget money to be invested in specific projects in the form of free financing or credits;

—Significant increase in the practice of joint state-commercial financing of investment projects;

—Spending a part of centralized investment on implementation of particularly effective and quick-recouping projects and small business facilities, regardless of their sectoral affiliation or form of ownership;

—Improving a legislative framework for the purpose of attracting foreign investment.

Scenario of Russia's economic development in 1995 (the Economy Ministry's forecast)

By the beginning of 1995, it is expected that inflation will be held down at least to the figures achieved by the middle of this year. According to the forecast, the budget deficit in 1995 could amount to around 10 percent of GDP. Further cuts—down to 120 percent—of the Central Bank's refinancing rate are expected. The tax reform scheduled for the beginning of next year, aimed at easing the tax pressure on manufacturers, will enable them to improve their financial situation. They will finance their development on their own, which will create favorable conditions for stepping up investment activity. This will also be helped by the revaluation of fixed capital that was carried out in 1994. An important prerequisite for keeping up investment activity and achieving business recovery must be the implementation of decisions made this year that give grounds to expect an increase in the amount of private and foreign investment in 1995-1996.

If events evolve favorably, the current crisis slump could be reversed as early as the turn of 1995 and 1996, and non-negative growth in industrial production and GDP in general could be achieved by the end of 1996. In this case, the share of savings in GDP could reach around 15 percent in 1995 and increase up to 17-19 percent by the end of 1996.

If events take an unfavorable turn, however, and inflation spins out of control, the economy will be in for an even deeper slump in production and investment and, afterward, a lengthy period of depression and stagnation.

Commercial Banks To Repay $500 Million in Foreign Debt

LD0308105194 Moscow Russian Television Network in Russian 0400 GMT 3 Aug 94

[Text] Russia has announced that it is ready to repay $500 million of its foreign debt at a time when its debt to the London Club alone is $24 billion. However, if our country does not fulfil its obligations in respect of the foreign debt, these assets could be compulsorily recovered.

The Association of Russian Banks has offered to assist with payment of the debt. Given certain guarantees from the government, some of the foreign debt could be paid off through the organization by the commercial banks in the bank pool, which would facilitate an influx of private investment into Russia. However, the government has been keeping the Central Bank and the commercial banks away from the official talks with the London Club.

Banks' Exclusion From Talks Seen Blocking Debt Solution

MM0308093594 Moscow IZVESTIYA in Russian 2 Aug 94 p 2

[Report by Ivan Zhagel: "Commercial Banks No Strangers to Russian Debts"]

[Text] The Association of Russian Banks [ARB] has sent an appeal to the Federation Council stating that the lack of real steps toward resolving the problem of Russia's external debt has led to a credit blockade of the country by foreign investors. Talks on this issue are being conducted extremely inefficiently—a problem compounded in many ways by the fact that the Central Bank of Russia and representatives of commercial banks were kept at a distance.

It is worth remembering that one of the most important conditions stipulated by Western creditors is the requirement to include in the agreement on the external debt an item on the loss of Russia's immunity over its assets abroad. In other words, if our country continues to fail in its obligations regarding the external debt, then these assets can be subject to enforced repossession. It is this condition which is what is holding up the talks.

What emerges is an apparent impasse: On the one hand, it is quite risky to agree to a loss of immunity; but, on the other, without an agreement with the creditors we will

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not obtain money from private investors—which could squeeze the life out of our dying industrial sector.

In any case, the ARB believes that the talks need a kick-start, especially those with the London Club, which brought together private creditors of the former Union. The total debt to London Club members is $24 billion, with overdue interest payments totaling $3.6 billion, at a time when Russia has announced its readiness to pay out a mere $500 million.

It is interesting that the commercial banks as represented by their association are not only pressing for speedier talks but are also offering help in paying the debts. For instance, the ARB could organize a so-called banking pool from which, given specific guarantees from the government, part of the debt might be wiped out. Of course, in this case we would only be talking about a few billion dollars, but informal talks with members of the London Club indicate that even this initiative could prompt a reciprocal response—that is, an inflow of private investment into the country. However, as already stated, the government will not grant anybody access to the official talks.

Incidentally, this fact received indirect confirmation when, in response to the ARB appeal, the Federation Council Budget and Finance Committee organized hearings on the question of external debts. As Committee Chairman Nikolay Gonchar said, government and Central Bank representatives were also invited to the hearings, but neither party turned up. The government representatives offered no explanation for their absence, although Viktor Gerashchenko stated that he has to all intents and purposes been kept out of the talks on the debts, and as such it makes no sense for him to participate in discussions on this issue.

After this, it should come as no surprise that the members of the Federation Council Budget and Finance Commission, irritated by the lack of attention being accorded them, unanimously declared that the problem not only of Russia's debts but also of debts to Russia itself requires a legislative settlement. Especially as to this day there are no data on how operations involving debts are reflected in the budget. With skilled handling, debts can even become a source of revenue.

Military & Space Issues

Grachev Not To Interrupt Vacation Over Chechen Events

LD0308091394 Moscow ITAR-TASS World Service in Russian 0814 GMT 3 Aug 94

[By ITAR-TASS correspondent Mikhail Shevtsov]

[Text] Moscow, 3 Aug (ITAR-TASS)—Russian Defense Minister Pavel Grachev is on leave and there is no information that he intends to cut short his vacation in connection with the situation in Chechnya. The ITAR-TASS correspondent was told this at the Russian Defense Ministry's information and press directorate in view of media reports to the effect that Pavel Grachev is due to fly to the North Caucasus today.

Tula Airborne Division Denies Readiness for Chechnya

LD0208173194 Moscow ITAR-TASS in English 1704 GMT 2 Aug 94

[by ITAR-TASS correspondent Valeriy Rudenko]

[Text] Tula August 2 TASS—A duty officer of the Russian elite Tula Airborne Division denied today the report by the CHECHENPRESS news agency that the division is allegedly on a red alert and ready to fly to the Republic of Chechnya.

Major Viktor Kudryavtsev told TASS that the division personnel performed today before their families and Tula residents at a sporting show dedicated to the paratroopers' day (a national holiday which is traditionally celebrated in mid-summer). The show has just ended and the paratroopers are now on their way back to their barracks, the officer said.

According to Major Kudryavtsev, Commander of Russian Paratroopers Yevgeniy Podkolzin and the Division Acting Commander Colonel Aleksandr Degtyarev are both attending today a similar show performed by the airborne unit deployed in the town of Naro-Fominsk.

Cosmos-2285 Satellite Launched

LD0308084994 Moscow ITAR-TASS World Service in Russian 0810 GMT 3 Aug 94

[By ITAR-TASS correspondent]

[Text] Moscow, 3 Aug (ITAR-TASS)—A Cosmos carrier rocket carrying the Cosmos-2285 space vehicle was launched by the Russian Space Forces from the 133d launchpad at Plesetsk cosmodrome at 0000 hours Moscow time today.

An ITAR-TASS correspondent was told at the Space Forces press center that the launch was successful and that it was carried out in the interests of the Defense Ministry.

The satellite is on orbit close to the planned one.

Space Mission Aboard Mir Proceeds According to Schedule

LD0208153594 Moscow ITAR-TASS in English 1338 GMT 2 Aug 94

[Text] Moscow August 2 ITAR-TASS—Russian cosmonauts Yuriy Malenchenko, Talgat Musabayev and Valeriy Polyakov continue their work aboard the Russian orbital complex "Mir", the Russian space mission control centre reports.

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The crew of the sixteen main space mission has carried out a series of experiments in outer space astronomy with the help of telescopes of the international orbital observatory "Roentgen". The cosmonauts observed, simultaneously with a U.S. land observatory, the x-ray pulsar Hercules X-1.

The crew has also conducted astrophysical experiments with the help of spectrometers "Buket" and "Maria".

On Tuesday, the cosmonauts are scheduled to undergo an examination by ultrasonic location of their cardiac and vascular systems in conditions of orthostatic pressure. The schedule also includes examination of the station's life-support systems.

According to the data of medical control, the condition of the cosmonauts health is good.

Meeting Views Results, Problems of 15th Space Mission

LD0208172894 Moscow ITAR-TASS in English 1713 GMT 2 Aug 94

[By ITAR-TASS correspondent Anna Bakina]

[Text] Zvezdny Town, Moscow Region, August 2 TASS—"Russian specialists could not approach the Russian spacecraft that landed 100 kilometers away from Arkalyk, Kazakhstan, for two days as the Kazakh customs demanded a document confirming that the craft had really dropped out of the sky," first deputy general designer of the Energia Scientific-Production Amalgamation Viktor Legostayev told a meeting with the 15th space mission participants here today.

In the words of space crew commander Viktor Afanasyev, this is not the only problem. Many heads of interested departments have gotten so accustomed to regular space flights they "forget to finance them".

Only the United States and Russia have spacecraft capable of man flights. That is why, the meeting participants stressed the need to make space programs more complicated. The Russian space exploration programs are working on prolonged space flights. Physician Valeriy Polyakov, who went to space together with the 15th mission will stay to work with the 16th and 17th ones. He is to find out the dynamics of human body changes in zero gravity conditions.

All in all, the 15th space mission staged 575 scientific experiments, including those geo-physical, astro-physical and medical ones, over 182 days in space.

Financial Threat to Naval Role, Potential Featured

MM0308093994 Moscow Russian Television Network in Russian 1350 GMT 28 Jul 94

[From the "Military Courier" program: Video report by Igor Krondo, identified by caption]

[Excerpts] The submarine fleet, the main strike force of the Russian Navy, is also in a difficult situation. Typhoon-class nuclear-powered missile carriers form the backbone of the Russian submarine fleet. One such submarine is capable of guaranteeing Russia peaceful skies since it can attack any aggressor in any part of the world. This, the world's biggest submarine, is built like a catamaran. That is to say, inside the external hull there are two parallel internal hulls. The submarine is as long as a football pitch, and as high as a seven-story building. It is armed with 20 ICBM's and has excellent performance and maneuverability characteristics. Its navigational range is essentially unlimited. The Typhoon is an excellent submarine in every respect. However, by the beginning of the 21st century these submarines, designed in the seventies, will be obsolete.

At the same time, construction of 19 multirole new-generation nuclear submarines has been suspended at Severodvinsk until economic conditions improve. Some of them are ahead of the times in terms of specifications and performance characteristics, and are considerably superior to similar foreign developments. But there is no money to complete these submarines either now or in the foreseeable future. Thus, Russia may find itself without a nuclear submarine fleet in the next century. This would mean the loss of half of its nuclear potential. [passage omitted]

If the situation as regards Russian Navy ships and submarines is not exactly rosy, it is simply disastrous when it comes to bases. In the past, in an effort to catch up with the Americans in terms of numbers of ships, people forgot that ships need moorings, and sailors need housing. The situation has, of course, not changed for the better. Many naval bases on the Black Sea have been lost. A critical situation has taken shape in the Baltic where, as a result of political changes, the strategic space has been disrupted. The fleet has to be stationed in groupings hundreds of miles apart. It has lost all its submarine bases, half the surface ship bases, 80 percent of coast guard and communications facilities, and more than 60 percent of storage facilities in Estonia, Latvia, and Lithuania. More than 50 percent of ship-repair facilities were also located there. It took decades and tens of billions of rubles to build up these structures. Our Baltic coast will essentially have to be reequipped from scratch.

Totski Firing Range Found Safe for U.S.-Russian Exercises

LD0208143394 Moscow ITAR-TASS in English 1302 GMT 2 Aug 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow August 2 TASS—After a series of tests for studying the environment of the Totski firing range, it has been declared fit for the forthcoming joint Russian-American peacetime military exercises scheduled to be held in September this year.

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Laboratory tests have shown that there is no slightest danger for the health of military personnel and local residents, Colonel- General Eduard Vorobyov, deputy commander of the Russian land forces, told ITAR-TASS. The American and Russian scientists, who conducted radio-ecological research, reaffirmed that the area conforms to all safety standards.

According to the general, a U.S. military delegation, which visited the firing range at the end of July, had coordinated actions and specific conditions from the American side. The Russian and American division commanders, whose subdivisions will take part in the exercises, have discussed their plans of action. The experience of the 27th Motorized Infantry Guard Division was noted. One of its regiments will carry out this mission in the Dniester River region, and the other will be kept on alert for a lunge to the Georgian- Abkhazian zone of conflict. According to the general, the exercises, scheduled for this fall, will help raise the training level of Russian peacekeeping forces and avoid losses during operations.

Video Profile of Typhoon Class Submarine

MM0208114194 Moscow Ostankino Television First Channel Network in Russian 0600 GMT 31 Jul 94

[From the "Test Range" program: Report over video of exterior, interior of Typhoon Class nuclear submarine in port and at sea]

[Text] [Unidentified correspondent over video of submarine in port and diving] This is the biggest and most secret nuclear submarine in the world. It is as high as a seven-story building and as long as a football pitch. Its displacement is almost 240,000 tonnes. Its two nuclear reactors, the size of a bus, enable it to navigate any distance. Depth or thickness of the ice layer on the surface are of no consequence. This is the Russian Typhoon Class submarine. It is armed with 20 strategic missiles which is our Navy's most formidable weapon. There is no more modern or reliable submarine missile carrier either in our country, or in the West. The submarine's crew consists 93 percent of officers. The remainder are hired only on contract and are top-class specialists. Each of them knows precisely his place and combat mission, for which they are equipped with everything they need.

There are comfortable two- and four-bunk cabins. The crew have their own television, bakery, gym, and even a sauna and a swimming pool. Pictures of trees and plants and a bird or two create the illusion of normal living conditions. But this is only what meets the eye. Service in the Navy has never been easy. But these guys are well aware that we are behind them and that we rely on them. Especially since there is no one else to rely on...

Expert Comments on Safety at Nuclear Power Stations

LD0208200994 Moscow INTERFAX in English 1853 GMT 2 Aug 94

[Text] An explosion at the Leningrad Nuclear Power Station in 1992 was prevented due to an improved alarm safety system, State Duma expert on nuclear energy issues, Professor Boris Dubovskiy said at a press conference in Moscow today. He said that after the Chernobyl accident the alarm system had been improved, responding in 1.5 seconds instead of the former 18 or 20 seconds.

Dubovskiy told Interfax, however, that the electronic equipment at the Russian nuclear power stations was undoubtedly behind Western technology. He said it was also vital to attract such specialists as physicists, electrical engineers and others with appropriate experience in nuclear power stations, to build Russian nuclear power stations.

Dubovskiy said that as a State Duma expert he is in favor of passing laws making those on which nuclear plant safety directly depends, such as scientific leaders, general constructors and representatives of the State Atomic Committee (Gosatomnadzor), accountable for that safety. Dubovskiy added that it is necessary to implement the idea of independent expert examinations of nuclear power stations' performance, i.e. participation of independent qualified experts in such examinations.

Federal Assembly

Zhirinovskiy Speaks on Privatization Process

MM0208110594 Moscow SOVETSKAYA ROSSIYA in Russian 30 Jul 94 p 2

[Unattributed extracts "From LDPR Chairman V. Zhirinovskiy's Speech at the 20 July State Duma Session": "Secret Robbery"]

[Text] The question of privatization is of solely political significance. This privatization is more like a denationalization campaign. It started in August 1991, when the state fell ill, and, exploiting the period of illness, certain forces came to power unlawfully and are still occupying a significant number of top political posts. Treatment could have been applied 12 December, and in principle the people said what they wanted. But unfortunately the levers of administration are still in the hands of those who are not entitled to hold on to posts which enable them to resolve nationwide tasks.

Why are we involved in privatization? Why do we need it at all? We can sleep peacefully in the knowledge that the land is ours, the means of production are ours, the natural resources, our housing, our educational institutes and places of leisure—these are all ours. But some people want to turn one section of society into masters and everyone else into hirelings, waiting for handouts from

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the new masters, who will come out and throw them a bone from the grand table....

Those who have come to power unlawfully need a social prop. Nothing else. Just that. And people who acquire personal wealth also by stealth—criminal elements and crooks—may become their prop. Those who are in power—this group of citizens—want to obtain a social prop. For them, a million criminal elements together with members of their families and some other ruined citizens may comprise the minimum social prop. That is the only point of this accelerated privatization. That is the only point....

This morning I came back from Tolyatti. I know that no one in Russia, and I can boldly declare on behalf of millions of Russian citizens—let those who do not believe me just try to refute it—no one is asking for any second phase of privatization. They are, however, asking that the culprits for the first phase—which should be called a crime rather than privatization—be punished and investigated. This is robbery, not destatization....

After all, what is happening today? Russians are buying up the most expensive cars and the most expensive houses abroad. Where have they got the money from? America built up its wealth over a period of 200 years, and it is not buying what it has at its disposal, but the Russians, who have broken free from here in the past two years, are buying it. Because they have criminal wealth at their disposal. It has to be turned into real estate as quickly as possible, because there is a danger of losing the money....

We have already been robbed by those who have managed to leave from here. Now they want to rob us once again so that the next wave of emigration in 1995-1999 can remove the plundered property from Russia again. There is a struggle against all of us going on. That is why the privatization must be stopped altogether. And there should be no talk of any second phase. Our voters do not want any privatization. They want to stop all privatization altogether. They want to live peacefully in their apartments and work at their enterprises. And gradually, little by little, over 20, 30, or 40 years, individual sections of our economy may possibly be privatized, or rather non-state enterprises will be established anew in the new conditions of taxation policy and other civil and criminal legislation....

I live in my country. Why are you taking my holiday homes, my enterprises, my transportation main lines, and my air companies away from me and privatizing them all? You cannot get treatment or service in our country anywhere any more. Even our young waiters are starting to speak to us in English. This is a disgrace! I walk around my home town, and all around me everything is in foreign languages. There is nothing for me. Even our mother tongue has been privatized, and we no longer have a mother tongue....

This is not privatization, it is robbery. The secret robbery of our national wealth. We must not only stop it, but also start an investigation.... As a lawyer I can state that this was a planned secret state crime, a state swindle. When a citizen removes part of another citizen's wealth by deceitful means—this comes under Article 147 and you can go to prison for it. But when a section of state functionaries does the same—take our wealth away from us—they proclaim themselves to be reformers.

We must build a special prison for these reformers, so that they can sit in it together and discuss their reforms.... Yesterday the workers of the town of Tolyatti demanded this. They are saying nothing except the words "we'll soon bring our pitchforks out" and "give us weapons," and there is no privatization in that town....

So let this talk of privatization end. On behalf of the faction of the party which gained the majority of votes—there are 13 million behind me—I have promised to stop this criminal privatization, and we will not vote for it....

We want no privatization. Privatization should be stopped and an investigation should be started in the fall into the activity of all these fathers of the rampant robbery of our people.

Duma Warns Against Neglect of Closed Cities

MM0208161394 Moscow KRASNAYA ZVEZDA in Russian 30 Jul 94 p 3

[Report by Aleksandr Yegorov under "In the Russian Federation State Duma" rubric: "Open Problems of Closed Cities. How To Speed Up Their Solution"]

[Text] As we have already reported, last week at the Russian Federation Parliamentary Center on Tsvetnoy Bulvar hearings took place on problems of closed administrative-territorial formations (CATF's). Or, as they are still called, closed cities. Each of these cities was at one time created around a particular major enterprise. Their names are now bandied about: Arzamas-16, Chelyabinsk-65, Krasnoyarsk-26, Penza-19.... But these names are known not only because the most recent Russian history has slightly lifted the veil of secrecy covering the defense sector but also because the mass media have recently started publishing more and more material about the parlous situation of former closed cities. The sharp deterioration has occurred because during the reform of the economy the state, which by special normative acts had isolated CATF's from participation in market reforms and which had established within them a strict procedure for vital activity (a special entry-exit, residence, and security procedure, and a residence permit regime), has in fact distanced itself from them or simply given up administering them. Thereby precipitating an increase in specific production and socioeconomic problems. Chief among these being the disruption of enterprises' production work regime because of the Russian Finance Ministry's untimely and incomplete allocation from the federal budget of appropriations approved, incidentally, under the state defense order, as well as the nonpayments crisis.

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Last year the Russian Federation Atomic Energy Ministry alone received 90 billion rubles [R] less than it was due, R41.7 billion of which was earmarked for meeting the defense order. In the first half of this year the indebtedness increased to R484.5 billion. This means that the financing of state capital investment now stands at 27.1 percent of the prescribed limits, the financing of research and development on civilian projects stands at 47.4 percent, and the financing of specialized finished output stands at 65.4 percent. As regards expenditure on the implementation of international treaties, under this heading the Russian Federation Atomic Energy Ministry has so far received only 12.6 percent of the amount due.

Unfortunately, such staggering figures have already become customary. But today—despite the established custom of not reacting to endless SOS's—I would like the reader to pay attention to them nonetheless. Because it is a question no more and no less of serious complications at enterprises which are fraught with grave danger.

I do not mean weaving factories. I mean nuclear reactors, atomic bombs, intercontinental missiles, and other "bits and pieces," a cavalier attitude to which is fraught with consequences. This being the case, special attention must be paid to the problems of CATF's. Without any ifs or buts. Otherwise especially dangerous production facilities become a factor of national security.

The State Duma Committee for Industry, Construction, Transportation, and Power Engineering initiated the latest hearings because the solution of the problems of CATF's cannot be put off any longer. The old laws and normative acts do not work at all or do not work vigorously enough. Because of the lack of monetary resources the implementation of measures to maintain the safety of and to repair nuclear electric power stations (AES's) has already been wrecked, normative nuclear fuel reserves at AES's have been exhausted, and the preparation of stations to take their 1994-1995 fall-winter period load is threatened with disruption. Insufficient financing of the main production facilities and operational complexes has led to losses of skilled cadres. Unemployment in CATF's is increasing more rapidly than in other regions of the country, and social tension is increasing, which is in turn becoming an additional cause of increased danger.

As Stepan Sulakshin, chairman of the military-industrial complex subcommittee, told the hearings, the situation is approaching the limit beyond which it may be impossible to control global-scale catastrophic processes similar to the Chernobyl catastrophe and the 1957 accident at the "Mayak" Production Association. Life itself demands immediate special measures at the legislative and governmental levels.

Parliament has started the ball rolling. Drafts of the relevant federal laws have already been sent to State Duma committees, the State Duma commission, and deputies' associations for the preparation of comments and proposals.

The ball is in the government's court, and it was recommended by the final document of the parliamentary hearings to complete the elaboration and adoption of a number of decrees: "On Social Guarantees and Compensation for Citizens Living and Working in Closed Administrative-Territorial Formations," "On Ratifying the Statute on the Procedure for Ensuring a Special Safe Functioning Regime for Russian Federation Atomic Energy Ministry Enterprises and Facilities in Closed Administrative-Territorial Formations," and others.

No matter how hard it may be, it is necessary to appreciate the degree of danger of the current situation in closed cities. There can be no experimenting here. Especially as we know the cost of rash experiments with the "atom:" After 1986 we cannot pay that price.

Parliamentary Analytical Centers' Activities Viewed

MK0308074494 Moscow NEZAVISIMAYA GAZETA in Russian 3 Aug 94 p 2

[Report by Yevgeniy Krasnikov under the "Parliament" rubric: "Duma Analysts Await Autumn. They Will Help Deputies Produce Complete Idea of Situation in the Country"]

[Excerpt] [passage omitted] After the setting up of the new organs of representative power—the Federation Council and the State Duma—new analytical structures materialized in them right away. At the present time, nearly all the factions and parliamentary committees have their own bodies of analysts and experts. It is however quite logical to suppose that the analytical structures that serve the upper and lower chambers on the whole and provide their information directly to their chiefs have the greatest possibilities of influence.

In March, an analytical center was set up under the Federation Council staff. Early in June, an analogous structure was formed in the State Duma. In accordance with its status, the Duma analytical center includes 12 persons responsible for different areas of activity. The center is led by Lyudmila Vartazarova (also known as the leader of the Socialist Party of the Working People).

Mrs. Vartazarova believes the task before the analytical center is to produce for the deputies a complete picture of the situation that has taken shape in the country. The analytical center is supposed to help the Duma chiefs and deputies in setting priorities in considering the most important documents; it also intends to do a selective expert assessment of draft laws (especially those "coming from outside"—from the president and the government), to establish links with analogous structures operating under the regional organs of representative power.

The analytical center is expected to really go to work in October with the resumption of the State Duma work. The center expects to submit to the Duma chiefs by that time the optimal procedure for considering current draft laws.

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Regional Affairs

Foreign Ministry Refuses Comment on Chechen Declaration

LD0208115394 Moscow ITAR-TASS World Service in Russian 1110 GMT 2 Aug 94

[By ITAR-TASS correspondent Aleksandr Krylovich]

[Text] Moscow, 2 Aug—An official spokesman of the Russian Foreign Ministry refused today to make any comment on the declaration by Chechnya's Interim Council on the removal of President Dzhokhar Dudayev and on its assumption of power.

"The Foreign Ministry can comment on events that come under foreign affairs. Given that Chechnya is part of the Russian Federation, the events there are not in our remit," Grigoriy Karasin, director of the press and information department at the Russian Federation Foreign Ministry, told an ITAR-TASS correspondent today.

Defense Ministry Denies Troops Near Chechen Border

LD0308093394 Moscow ITAR-TASS World Service in Russian 0835 GMT 3 Aug 94

[By ITAR-TASS correspondent]

[Text] Moscow, 3 Aug— A spokesman for the Russian Defense Ministry has denied to an ITAR-TASS correspondent the report from the Chechenpress agency quoting the main headquarters of the Chechen armed forces and saying that officers from the Frunze military academy have been sent to the North Caucasus and that motorized units of the Russian regular army are being assembled near the borders of Chechnya.

The Defense Ministry described the reports as not corresponding with reality.

Chernomyrdin on 'Overdue' Decisison on Chechnya

LD0208140294 Moscow ITAR-TASS World Service in Russian 1333 GMT 2 Aug 94

[By ITAR-TASS correspondents Gennadiy Yezhov and Vladimir Zlobin]

[Text] Petrozavodsk, 2 Aug—Russia has approached a stage of development of its relations with Chechnya in which it will take specific decisions that have already become overdue, said Russian Prime Minister Viktor Chernomyrdin today during his working visit to Petrozavodsk.

Addressing a conference with heads of the republican enterprises and the regional leadership, Viktor Chernomyrdin noted that apart from a rather complicated overall situation in the Caucasus, Russia's main headache was Chechnya. Without resolving this problem it will be difficult to resolve all the other ones.

The Russian prime minister emphasized, in particular, that the time to resolve the situation around Chechnya is now, not because Russia did not want or did not know the complex situation in the republic, but only because Russia wanted to avoid bloodshed in the resolution of the conflict.

None of the decisions mentioned by Viktor Chernomyrdin today implied using force to resolve the Russian-Chechen knot of problems.

Yeltsin Aide Views Chechen Interim Council

LD0208123294 Moscow ITAR-TASS World Service in Russian 1130 GMT 2 Aug 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow, 2 Aug (ITAR-TASS)—"The decree on power adopted today by the Interim Council of the Chechen Republic may be considered to be the most radical action by the opposition during the entire period of the existence of Dzhokar Dudayev's regime."

This is how Emil Pain, member of the Presidential Council and head of the international relations and regional conflicts directorate of the Analytical Center of the Russian Federation President, commented on this document in an interview with the ITAR- TASS correspondent.

According to him, "this is the first time that the opposition is not simply declaring its striving to change the political structure, but is also taking a decisive step and assuming the responsibility and the enormous obligations for carrying it out before the Chechen people, the people of the Russian Federation, and the whole of the world community."

Emil Pain described the decree on power as "significant". He said that, of course, with the issuing of this decree all power in the republic will not be transferred at one go to the Interim Council, but that "a situation will be created in which vacillating political forces will be obliged to choose."

The Presidential Council member pointed in particular to the elements in the decree relating to general democratic elections. "The Interim Council is showing itself to be a constructive body, is designed to operate only in the transition period, and will guarantee continuity of power, casting aside any suspicion that it would wish to usurp that power," Emil Pain said.

Official Advises 'Caution' Over Chechen Statements

LD0208122794 Moscow ITAR-TASS World Service in Russian 1207 GMT 2 Aug 94

[Text] Moscow, 2 Aug—Competent sources in Moscow have made it clear that one should put no particular faith in reports on the change of power in Chechnya

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announced today by the opposition Interim Council headed by Umar Avtorkhanov.

"One should not dramatize the events in Chechnya," the ITAR-TASS correspondent was told by a well-informed source in government circles who preferred to remain anonymous.

He advised caution in regard to the statements emanating from the Chechen Interim Council and made it clear that Moscow is continuing to follow attentively how events are developing in Groznyy.

Avtorkhanov announced today that his Interim Council has replaced President Dzhokhar Dudayev and has taken all power into its hands.

The ITAR-TASS correspondent has not yet managed to get in contact with Groznyy to get an official reaction.

Text of Chechnya Opposition's Declaration

MM0208182594 Moscow ROSSIYSKAYA GAZETA in Russian 3 Aug 94 First Edition p 1

["Political Declaration" by members of the Provisional Council of the Chechen Republic, signed by V. Abturkhanov, chairman of the Provisional Council, and other members of the Provisional Council; adopted 1 August 1994: "The Provisional Council of the Chechen Republic Declares Dudayev's Dictatorship Deposed"]

[Text] The rule of Dzhokhar Dudayev, which has lasted for almost three years, has placed the Chechen Republic on the brink of economic and political catastrophe. The republic's economy and social sphere have been completely ruined and almost no longer function: Unemployment has passed the 50-percent mark; the little which is still produced and brings in revenue is pilfered by mafioso-functionary clans, and the rest goes to maintain Dudayev's junta and the inordinately swollen special services apparatus; the people find themselves on the brink of destitution.

Through the efforts of D. Dudayev and his entourage the Chechen Republic has become the main base for crime in the North Caucasus. Criminals who join the ranks of the "national guard" have become D. Dudayev's only source of support. The usurpation of power by D. Dudayev's gang has led to:

—a de facto ban on the activity of parliament, all independent parties, and sociopolitical organizations;

—the introduction of total ideological control over the republic mass media;

—the armed suppression of the opposition, the persecution of its leaders and activists;

—an orgy of embezzlement of public funds and street gangsterism;

—the impoverishment of the Chechen people;

—the destruction of age-old Chechen traditions, the launch of genocide against our own people, and the spilling of fraternal blood.

All this means that an antidemocratic, criminal-militarist dictatorship has been effectively established in the Chechen Republic.

However, the Chechen people, whose proud and freedom-loving spirit could not be broken on the bayonets of Russian czarism or by the destructive Stalinist deportation, has found within itself the strength to oppose the newly fledged dictator and assume responsibility for the fate of the motherland.

The Congress of the Chechen People, held 4 June 1994, and which represented the interests of almost all settlements, teyps [clans], and political parties, movements, and social organizations, approved the republic Provision Council, to which it transferred absolute power in Chechnya.

The supreme goal of the Provisional Council, in which the Chechen people have invested their trust and which is aware of its historic responsibility before them, is the salvation of the nation from the catastrophe which hangs over it.

In the name of this goal the Provisional Council declares Dudayev's dictatorship to have been deposed [nizlozhennyy].

The priority tasks of the Provisional Council and the organs of power formed by it are:

1. The restoration of constitutional order on the territory of the Chechen Republic and the creation of the conditions for a normal and secure life for all its citizens.

2. Securing people's power; the preparation and holding of general elections for representative organs, the revival of Chechnya as a democratic republic in which methods of violence and coercion against our own people are excluded. The creation of a government of national revival.

3. The immediate normalization of relations with Russia's organs of federal power, the preparation and agreement of a Treaty on the Delimitation of Powers and Objects of Jurisdiction between the organs of state power of the Russian Federation and the Chechen Republic.

4. The rectification of political and economic relations with our neighbors. The people of the Chechen Republic seek peaceful, friendly relations with all the peoples of Russia; the republic has no territorial claims against any of its neighbors. It seeks to establish firm relations in the economic, social, and cultural spheres with all peoples on the basis of the conclusion of bilateral and multilateral agreements.

5. Strengthening friendly ties with the kindred Ingush people. The Provisional Council proposes to begin consultations on the creation of a united Veinakh Republic.

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The Chechen Republic will promote by all possible means the settlement of the Ossetian-Ingush conflict.

The Provisional Council's entire activity will be directed toward ensuring harmony in the Chechen Republic and its prosperity. With this aim in mind, the Provisional Council calls on all to whom their motherland's fate is dear to come together to save the nation.

[Signed] U. Abturkhanov, chairman of the Provisional Council

Members of the Provisional Council

Adopted 1 August 1994

Territorial, Self-Defense Units Formed in Chechnya

LD0208195494 Moscow INTERFAX in English 1853 GMT 2 Aug 94

[Text] Calm apparently reigns in Chechnya while territorial and self-defense units are, nonetheless, being formed in the villages, Interfax correspondents report.

Deputy Foreign Minister of Chechnya Ruslan Chimayev told Interfax that some Russian politicians try to prepare public opinion for sending troops to Chechnya. Russians, who account for one third of the republic's population, feel ashamed of the Moscow-fed information on human rights violations in Chechnya, Chimayev said.

He added that the Russian-speaking population of the republic is becoming hostage of Russian foreign policy.

Chechen leaders feel that the situation around the republic is reminiscent of the days preceding the Soviet invasion of Afghanistan.

Provisional Council Wants 'Peaceful Removal' of Dudayev

LD0208180694 Moscow ITAR-TASS in English 1730 GMT 2 Aug 94

[by ITAR-TASS correspondent]

[Text] Moscow August 2 TASS—The opposition Provisional Council headed by leader of the rebellious Upper Terek region Umar Avturkhanov stands for peaceful removal of Chechen President Dzhokhar Dudayev from his post, council member Badrudi Dzhemalkhanov told ITAR-TASS today. In his opinion, the Chechen leader has fully discredited himself over his term of office and brought the republic into crisis.

Dzhemalkhanov wants close Chechen-Russian relations and believes that the Chechen crisis can be settled politically if Dudayev agrees to resign.

Speaking of leader of the Niiskho (Justice) Party Ruslan Labazanov who enjoys a considerable military support, Dzhemalkhanov told ITAR-TASS that Labazanov is ready to cooperate with the council. "He has his own methods, but aims to overthrow the Dudayev regime," he added.

An immediate task of the Provisional Council is to prepare and hold universal democratic elections in the Chechen Republic, form a "national revival" government and ensure the succession of power before the adoption of Chechen legislative bodies, said Dzhemalkhanov. The council also aims to stabilize economic, social and political situation in the Chechen Republic and normalize the relations with Russia which have an over-200-years-long history.

Chechen Council Leader on Taking Power

LD0208155494

[Editorial report] Moscow Mayak Radio Network in Russian at 1419 GMT on 2 August carries a 3-minute recording of an interview with Umar Avtorkhanov, with head of the Chechen Provisional Council on 2 August, conducted by an unidentified announcer.

Artorkhanov first gives an explanation of how the Provisional Council took powerin Chechnya: "The Provisional Council took the full powers of state in the Chechen Republic upon itself, in accordance with a decision by the Congress of the Chechen People . The first document which we adopted was the decree on power. We did this on 1 August. We took this decision in full knowledge of the situation our republic was in, in full knowledge that our republic had turned into a area ridden with crime and that Dudayev's regime had brought the republic to its knees. The Congress of the Chechen People approved us, the Provisional Council, as the supreme body of state power. We took a long time deciding how to act. The VOZROZHDENIYE newspaper, the organ of the Chechen Republic Provisional Council, spoke of a diarchy. We decided today that it was time for the Provisional Council to take full powers on itself.

"What are our future plans? We have been received by the leaders of the Russian state—by Filatov, Chernomyrdin, and Shakhray—and questions were raised: First and foremost issues of a political settlement in Chechnya, relations between the Chechen Republic and the Russian Federation. We know very well that the Russian Constitution says that the Chechen Republic is a component part of the Federation. We want to save our nation. We want to sort out its economic and political relations, with the Russian Federation to start with and then with its other neighbors."

The announcer assks: "But Dudayev said this as well, that he wanted to save the nation."

Avtorkhanov responds: "Yes, Dzhokhar Dudayev said one thing and did another. What he said was never borne out in what he did. He deceived the republic. What kind of state did he create? A state based on mafiosa clans. Where are all the criminals who committed murder and

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other serious crimes? They are all in Chechnya. They know that the law will not find them there."

Avtorkhanov goes on to say that public sector workers in Nadterechnyy region who have not been receiving wages will now be paid. He concludes: "We must fight on the battlefield today as well as developing proper relations. We do not think that our words will differ from our deeds like Dudayev's. We did things first and are speaking now."

Prerecorded Statement Broadcast

LD0208150494

[Editorial Report] Moscow Ostankino Television First Channel Network in Russian AT 1400 GMT on 2 August, in its "Novosti" newscast, carries a brief prerecorded statement by Umar Avtorkhanov, leader of the Chechen opposition Interim Council, which appears to be part of a studio interview but no questions are given. The text of Avtorkhanov's remarks are as follows:

"Public opinion today is like this: Apart from those people who enjoy the particular trust of Dzhokhar Dudayev and who are robbing the people together with him, practically no one supports him. Most people—we could say 80 percent—are behind the Interim Council, behind those who wish to restore normal interrelations in the Republic of Chechnya itself, in the Russian Federation, and in neighboring states.

"We have sufficient forces in the Interim Council. We are backed by military units all over the Republic. We have been able to unite everyone—all normal forces—and today there are no forces able to stand up to the Interim Council.

"We have met almost all of the leaders of the Russian state. They are united in one opinion, and this opinion is shared by krays, oblasts, and our neighbors, that the time has come for the antipeople regime of Dudayev to go. In a democratic state there should not be any dictatorship. We are of a single mind on this. The Russian state has practically recognized the Interim Council as the only supreme authority on the territory of the Chechen Republic. Russia has made its choice.

"Very often here, members of the Interim Council and my family have asked me how can the Chechen problem be solved once and for all? By peaceful means? By military means? By sending in troops? A mass dispatch of troops to the territory of the Chechen Republic? I would like to reassure my fellow citizens that there will not be any dispatch of troops whatsoever. There will not be any mass attack by Russia whatsoever. Everything will unfold peacefully. We reject any pressure by force. We want to see this matter settled at the end of the day without bloodshed. There will not be a civil war."

With this the prerecorded remarks by the Chechen leader end.

Chechen Prosecutor on Punishing Avturkhanov

LD0208195394 Moscow INTERFAX in English 1853 GMT 2 Aug 94

[Text] Usman Imayev, the Chechen prosecutor general, said that if Russia does not extradite opposition leader Umar Avturkhanov to Grozny, Chechnya will take steps to punish him in line with the state's legislation.

He confirmed in an Interfax interview Tuesday that an arrest warrant had been issued against Avturkhanov, who had signed at the end of the last week documents on ousting President Dzhokhar Dudayev from power.

Imayev denounced the reports circulated by the Russian media which, he said, misrepresent the situation in Chechnya. He said that Groznyy did not respond because there was no truth in the reports. In Imayev's view, Moscow was engaged in still another hysterical anti-Chechen campaign.

Imayev said that the situation is calm in the Nadterechny District, regarded as the opposition stronghold.

According to Imayev, Groznyy was willing to cooperate with the Russian law enforcement agencies in the latest hostage incident in Mineralnyie Vody.

He said that Chechnya had offered four combat helicopters with Chechen special forces, along with Chechen elders ready to assist in talks, if the criminals proved to be Chechens or Ingush, but these offers were rejected.

Arrest of Avturkhanov Authorized

LD0208164494 Moscow INTERFAX in English 1604 GMT 2 Aug 94

[Text] Chechen Prosecutor General Usman Imayev has authorized the arrest today of Chechen opposition leader Umar Avturkhanov. Avturkhanov is accused of high treason.

The Chechen Prosecutor's Office told Interfax that Imayev was preparing an official letter to the Russian Prosecutor General demanding the extradition of Avturkhanov - currently in Moscow.

Chief of the Chechen State Security Department Sultan Geliskhanov said he had information indicating that Russia was preparing to break into Chechen territory "under the myth of the nonexistent Interim Council." Geliskhanov claimed that the Tula Paratrooper Division had been put on alert.

Dudayev Interviewed on Situation in Chechnya

LD0208165094 Moscow Radiostantsiya Ekho Moskvy in Russian 1530 GMT 2 Aug 94

[Interview with Chechen President Dzhokhar Dudayev with JIJI news agency correspondent Daniil Grigorovich; place and date not given—recorded]

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[Text] [Grigorovich] I have two questions, if I may. First, the Interim Council of the Chechen Republic has issued the decree on power, which says that they are taking over power entirely in the Chechen Republic. Can you comment on this situation? How tense or serious is the situation in the Republic?

[Dudayev] My suggestion to you here would be to imagine a different scene and then to comment on it. Imagine that some kind of a rogue has all of a sudden declared himself the emperor of Japan and that he has taken power and issued a decree. So, here you are, here is your fertile ground for comment.

[Grigorovich] Can you tell us to what extent, as it were, is the situation in the republic under control? How strong are the authorities? What is now taking place in the republic?

[Dudayev] Harvesting is in progress in the republic. Production is being stepped up. Students are undergoing exams, at which I was present today at the university. The usual kind of creative work is under way, the proper business of any government or state. We here have not heard of anything else. We have not heard of any sort of imaginary situations in Chechnya, save for the announcements made in Moscow via the media.

You know how there is always a lot of noise whenever UFO's are involved, and people always testify how they saw humanoids, nuclei, and so on and so forth. Well, that is the kind of situation you have over there. Here, on the spot, all is in order.

[Grigorovich] Last question: Some agencies put out reports that it is possible that you will soon visit Moscow to meet some opposition forces here in Moscow. To what extent is this feasible? To what extent are you preparing to come to Moscow?

[Dudayev] This is some kind of a bluff, to maintain that I might intend to meet any opposition forces in Moscow. Indeed, dozens of public and political organizations and forces—in particular, those with which we conduct talks and have contacts on the level of people's diplomacy—did invite me. Their message was: Could I not come to Moscow and meet the leaders of public and political forces to discuss our relations? For the time being, I have tentatively agreed to do so. We have not discussed the question of the procedure involved here so far.

The Chechen Republic of Ichkeria has no opposition at all in this world. There are criminals, those who break the law. They have arrogated to themselves the rights of the opposition, and they are engaged in plunder that is directed, above all, against the Russian people, undermining the foundations of the state system of Russia itself.

Russia exerts no influence at all, save for this vile pornography that the media is spreading. Russia is thus discrediting its highest political authorities, also by brazen lies, adventurism, and provocations.

[Grigorovich] I see. In your view, how possible is it that a situation will develop involving the use of force in Chechnya?

[Dudayev] The use of force is the option that Russia has been foisting on us, is currently foisting on us, and Russia is proceeding using methods of force. Lies, provocations, the creation of some nebulous councils on its territory: Is that not violence? All this testifies to the fact that the Russian Government is illegitimate. Russia is searching for its equals, but the Chechen Republic Government and its president have been elected by the people, and the results have been proclaimed the world over. Foreign observers appended their signatures to the electoral acts. This is what they do not like.

Assails Interim Council Statement

LD0208195694 Moscow INTERFAX in English 1853 GMT 2 Aug 94

[Text] Chechen President Dzhokhar Dudayev said he considers the statement of the opposition Interim Council as a "demarche organized by state traitors."

"These are two or three people who act jointly with the Kremlin and Russian special services," Dudayev said in an interview with Interfax this evening.

On Saturday the Chechen Interim Council made a statement describing Dudayev's regime as deposed. The opposition announced the transfer of state power into its hands.

"The purpose of joint actions taken by state traitors and some Russian politicians is to stir up a fratricidal conflict in the North Caucuses," Dudayev said.

Dudayev said he believed that at this time "everything was being done, including the most vicious and unimaginable lies, in order to justify the introduction of Russian troops into Chechnya.

"We know for sure that there exists an actual decision to occupy the republic before September 6 (the three-year anniversary of Independence Day)," Dudayev said.

When asked about measures which Groznyy intends to take against armed opposition detachments, Dudayev denied the existence of such detachments.

Dudayev said he had information that special units of the Russian Federal Counterintelligence Service are being trained under the guise of being opposition fighters. "In light of this we have already taken concrete measures," Dudayev said without going into details.

Plans To Go Ahead With Moscow Visit

LD0308092194 Moscow 2x2 Television in Russian 0630 GMT 3 Aug 94

[Text] I have no problems with the sense of humor—that was president Dzhokhar Dudayev's reaction when asked by a Postfactum correspondent to comment on the

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statement from the opposition Interim Council in Chechnya, which said it was removing Dzhokhar Dudayev from power.

In the same Postfactum interview, Dzhokhar Dudayev also said he would visit Moscow on Thursday [4 August], as originally planned,—provided that representatives of the Russian federal authorities agree to have a meeting with him.

Situation Remains Calm in Chechnya

LD0308092894 Moscow ITAR-TASS in English 0834 GMT 3 Aug 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy August 3 TASS—The situation remains calm in the Chechen capital of Groznyy and in other regions of the republic on Wednesday. Local residents learnt about the statement of the opposition which claimed ousting Chechen President Dzhokhar Dudayev from reports of the Russian television.

However, local observers say that it is very difficult to predict further developments. They fear that Dudayev may lose patience and send troops to suppress the rebel Nadterechnyy region, which is the headquarters of the opposition headed by Umar Avtorkhanov. Provocations against the Russian-speaking population of Chechnya, especially against Cossacks, are not ruled out.

The opposition of yet another leader, Yaragi Mamodayev, believes the situation can be solved by urgently convening a congress of all clans of the republic. This position was supported by the "Assembly" public movement, the Union of Democratic Forces of Chechnya, a number of other political parties and movements.

ITAR-TASS Provides Background to Chechnya Events

LD0208122694 Moscow ITAR-TASS in English 1211 GMT 2 Aug 94

[Text] Moscow August 2 ITAR-TASS—The leader of the Provisional [as received] Council of the Chechen Republic Umar Avtorkhanov, who today declared President Dzhokhar Dudayev deposed, has been in opposition to the now-overthrown president for three years, since the day when the Chechen Republic broke away from the Ingush Republic and Dudayev came to power.

In September 1991, Dudayev, who then headed the oppositional Executive Committee of the National Congress of the Chechen People, announced the dismissal of the parliament of the former Chechen- Ingush Republic and also of the Provisional Council created to prepare new elections in the Chechen Republic. Dudayev accused that council of preparing a coup d'etat instead and declared that all power shall henceforth be vested in the Revolutionary Committee of the national movement headed by himself.

In October 1991, Dudayev became Chechnya's first president.

In March 1992, Avtorkhanov, who was then the head of the Nadterechnyy district appealed to all citizens of the Chechen Republic not to recognise Dudayev as president.

Confrontation between the rebel district and the Chechen Republic's central authorities continued unabated until Avtorkhanov appealed to Russian President Boris Yeltsin on behalf of the Provisional Council of the Chechen Republic to recognise the council as the only legitimate body of power in the republic and extend support to it.

Today, Avtorkhanov announced that President Dudayev had been deposed and all power was taken over by the Provisional Council. ITAR-TASS has been unable so far to contact any authorities in Groznyy.

Yeltsin, Rakhimov Agree on Division of Powers

LD0308092094 Moscow ITAR-TASS in English 0818 GMT 3 Aug 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow August 3 TASS—Russian President Boris Yeltsin and President Murtaza Rakhimov of Bashkortostan signed an agreement on the division of powers and their mutual delegation between Moscow and Ufa, that is between the federal and local bodies of state authority.

"The Republic of Bashkortostan today is making an important step toward strengthening the country's unity and the development of genuine federalism," President Yeltsin said before the signing.

The Russian president said the Constitution provides answers only to the most general questions of principle," but in order to build the state on truly federal principles it is necessary to work out a mechanism of coordinating federal and regional interests, the interests of the state and the interests of the individual".

Yeltsin noted that Bashkortostan first joined Russia on a voluntary basis back in the 16th century and is now playing a major role in the deep transformations underway in the country.

President Yeltsin praised the resolution on the language which grants freedom of choice to all inhabitants of Bashkortostan. He stressed that this wise decision would facilitate the development of education and culture.

The prime ministers of Russia and Bashkortostan Viktor Chernomyrdin and Rim Bakiyev also signed a number of agreements.

CPRF Holds Conference of Northwest Region Secretaries

MM0208114994 Moscow PRAVDA in Russian 30 Jul 94 p 2

[Report by Anatoliy Minayev: "Fate Decided in the Localities"]

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[Text] Following the recent adoption of program documents at the All-Russia Party Conference the Communist Party of the Russian Federation [CPRF] is directing its main efforts in its work at the localities. Yuriy Belov, deputy chairman of the CPRF Central Executive Committee, addressed a conference of the secretaries of Northwest party organizations.

"We are operating in new conditions and we have a new language for communicating with the mass. We have been transformed from the ruling party into a party fighting a ruling, antipeople regime. We must prepare for lengthy humdrum work," he warned.

The activity of Karelia's Communists, who this time greeted party guests from Murmansk, the Republic of Komi, Leningrad, Arkhangelsk, Novgorod, and Pskov Oblasts, and other parts of the Northwest bears out these words.

Last April Karelia was first in Russia in terms of allegiance to President B. Yeltsin, backing him with over 80 percent of the vote in the referendum. The results of the Federation Council and State Duma elections were not brilliant either. But party organizations were set up in all cities and rayons (apart from Kostomuksha), work began at grassroots level, and things got moving. Viktor Stepanov, former member of the Russian Communist Party Politburo, who had the support of Communists everywhere in the 17 April elections this year, was elected the republic's head of government (read president). Around 40 percent of the deputies' seats in the republic's Legislative Assembly were taken by Communists and sympathizers, while Communists also make up one-sixth of city and rayon mayors and leaders of local self-government entities.

It became clear at the conference of Northwest party organization secretaries that neither the people of Murmansk, Arkhangelsk, Novgorod, or the residents of other oblasts have been able to secure such election successes.

What is more, people in Murmansk and Kaliningrad respectively, for instance, consider voting for Russian Foreign Minister A. Kozyrev and V. Shumeyko to be a mistake, and they are now working to recall them as deputies.

The situation in Kaliningrad Oblast is causing particular disquiet. Communists in this region, squeezed as it is between Russia and Lithuania, urged the CPRF leaders and State Duma Communist Deputies N. Bindyukov, Ye. Krasnitskiy, A. Zaytsev, and Yu. Sevenard, who came to the conference and met with labor collectives and military subunits, to wreck the political adventurers' plans to turn Kaliningrad Oblast into a German Baltic republic.

There are many unresolved tasks relating to problems of party discipline, winning young recruits, and the need for theoretical treatises.

It is now necessary more actively to seek contacts with trade unions, make use of the platforms at mass events, establish relations with economic managers, and work with young people. And since the party has declared itself to be the party of social protection for working people, it must primarily learn to protect those who sow, plow, and work at the machine bench.

Federation Council Committee Appeals for Aid to Far North

LD0208160594 Moscow Mayak Radio Network in Russian 1100 GMT 2 Jul 94

[Text] Today we have received the text of an appeal from the chairman of the Federal Assembly Federation Council Committee for Affairs of the North and Minority Peoples, addressed to Russian President Boris Yeltsin.

The document stresses that, despite all the suggestions from deputies from northern territories, the budget wholly neglects the interests of Russian Federation citizens living in the far north. There are no articles relating to non-budget sector organizations concerning the implementation of the law on state guarantees and compensation for persons working and living in regions of the far north and like areas. Funds earmarked for the state program for construction of housing for those moving from far north regions have been cut, financing to transport freight to the north has been reduced, and cuts have been made in the funds allocated even for the Children of the North federal program. The article on equipping medical aircraft and helicopters to render emergency medical assistance has been omitted.

The fate of millions of citizens of Russia living in the north today depends upon the president, as the main guarantor of public accord in the country. The appeal contains a request for all necessary measures to be taken to amend the budget articles relating to expenditures and to make it incumbent upon the government of Russia to use reserve funds to give financial backing to the north.

Rostov Oblast Introduces Residence Fees

LD0208185594 Moscow ITAR-TASS World Service in Russian 1349 GMT 2 Aug 94

[By ITAR-TASS correspondent Vyacheslav Bondarenko]

[Summary] Rostov-on-Don, 2 Aug—People who have come to settle in Rostov Oblast from any region of Russia will now have to pay 10 million rubles, with CIS citizens paying double this amount and foreigners having to pay 50 million rubles, ITAR-TASS reported today.

Referring to the oblast legislative assembly's decision, ITAR- TASS said that certain categories would be exempt, but that citizens of former USSR republics

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could only visit the oblast if they had an invitation and, once there, would have to register and pay a duty for each day of their visit.

The legislative assembly deputies think that these measures will reduce tension caused by a large influx of refugees into the region.

Yeltsin Appoints New Head of Krasnodar Kray

LD0208165894 Moscow Radio Rossii Network in Russian 1600 GMT 2 Aug 94

[Text] Boris Yeltsin has today appointed Yevgeniy Kharitonov head of the Krasnodar Kray administration, the Russian president's press service reported.

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International Affairs

Reportage on Vice President Gore's Visit

Moroz on Issues To Be Discussed

LD0108191994 Moscow INTERFAX in English 1848 GMT 1 Aug 94

[Text] The chairman of Ukraine's parliament, Aleksandr Moroz, said he and U.S. Vice President Al Gore would deal at their meeting on Tuesday with "a wide range of matters concerning international contacts."

Moroz told a news conference in Kiev on Monday that he and Gore, coming to Ukraine for a visit, would also discuss the possibility of the United States' "influence on Ukraine's incorporation into the world community as an equal member."

Moroz said Gore was likely to be interested in the issue of Ukraine's nuclear weapons and in measures to eliminate the effects of the Chernobyl accident. "The West is more worried about those things than it ought to be," he said.

Gore Arrives in Kiev

LD0208131994 Moscow ITAR-TASS World Service in Russian 1100 GMT 2 Aug 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik, and UKRINFORM correspondent Aleksey Trotsenko]

[Excerpt] Kiev, 2 Aug (ITAR-TASS)—U.S. Vice President Albert Gore arrived in the Ukrainian capital on an official visit. He is accompanied by U.S. Ambassador to Ukraine William Miller, representatives of the U.S. National Security Council, the Defense Department, and the State Department.

Albert Gore met with Ukrainian President Leonid Kuchma at Mariyinskyy Palace, where he was saluted by an honor guard representing three regiments. Ukrainian-U.S. talks then began in the palace's Green Hall behind closed doors. [passage omitted]

Kuchma Comments on Tripartite Agreement

LD0308103594 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 3 Aug 94

[Text] Yesterday Ukraine's President Leonid Kuchma began his working visit to Ukraine's southern oblasts, extending help to the army and reviving the prestige of people in uniform in society. These principles were the main issues during Leonid Kuchma's meeting with the personnel of one of the missile units in Pervomaysk, Nikolayev Oblast. Leonid Kuchma also familiarized himself with the social conditions and the daily life of the missile troops.

During the meeting the discussion touched on both the issues of the way the armed forces of Ukraine functions as well as the development of the economy as a whole. Specific replies and instructions were given on all the positions. The Ukrainian president expressed the firm conviction that the situation could be changed in particular through the mandatory implementation of current laws. I promise that this is precisely how it will be and not otherwise, stressed Kuchma.

The president of Ukraine also touched on his meeting with U.S. Vice President Albert Gore, which took place on Tuesday. Leonid Kuchma said that at these meetings he had raised the question concerning Ukraine's missiles. Ukraine had only received around $6 million of the $350 million promised by the United States for the dismantling of missile launchers. At the same time, if we want to be respected in the world, our state should abide by international agreements and consistently defend its own strategic interests. The president of Ukraine, as the supreme commander-in-chief of the armed forces, also familiarized himself during the course of the visit with the state of the missile launchers, and took an interest in the specific implementation by Ukraine of the obligations concerning the aspects of the trilateral statement and the problems that arise as a result of this.

Kuchma, Gore Discuss Nuclear Agreement

LD0208183894 Moscow ITAR-TASS in English 1739 GMT 2 Aug 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev August 2 TASS—Ukrainian President Leonid Kuchma visited a missile base this afternoon upon the arrival in Pervomaysk, the Nikolayev region.

The working visit began after Kuchma's meeting with U.S. Vice-President Albert Gore currently in Kiev on an official trip. The Ukrainian-U.S. negotiations discussed the fulfillment of the tripartite nuclear agreement signed in Moscow by the Russian, Ukrainian and U.S. Presidents.

The meeting details were not reported, but Gore told correspondents that Washington is extremely interested in the fulfillment of the historic document. In the words of Gore, the agreement is a major element in Ukrainian-U.S. relations and a corner stone of regional political stability.

Two types of missiles are now located near Pervomaysk, according to ITAR-TASS information. Part of the missiles have been dismantled. U.S. Defence Secretary William Perry saw a dismantled SS-24 missile silo in Spring 1994. The U.S. official was told then that warheads of 30 SS-24 missiles and 11 SS-19 missiles had been dismantled. All in all, 46 SS-24 and 30 SS-19 missiles will be subjected to this procedure.

Two regiments of strategic missiles were removed from combat duty last year by the Ukrainian specialists. One

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of the regiments that had ten systems has been withdrawn from Pervomaysk. Nuclear warheads had been dismantled and sent to technical storages, missile fuel and oxidizer had been pumped into special tanks and the missiles were removed from the silos. The missiles were sent to the Yuzhmash plant.

On Wednesday the president will visit farms in the Nikolayev and Kherson regions.

Gore on Kiev Talks; Kuchma To Visit U.S.

LD0208191194 Kiev UNIAN in Ukrainian 1830 GMT 2 Aug 94

[Text] Kiev [no date as received]—"The United States supports and will continue to support Ukraine on its road to democracy," said U.S. Vice President Albert Gore at a news conference on 2 August in Kiev. During the day, he met president of Ukraine Leonid Kuchma, Prime Minister Vitaliy Masol, Supreme Council Chairman Oleksandr Moroz, and Ukrainian parliament deputies. According to Gore, the sides held "fruitful and useful discussions." The U.S. vice president said that the Ukrainian head of state, Leonid Kuchma, had accepted U.S. President Bill Clinton's invitation to visit the United States on 29 November this year.

Gore described the parliamentary and presidential elections in Ukraine as "an important link in the long chain of common Ukrainian-U.S. interests, which includes democratic values, economic well-being, peace, security, and commitment to the principles of nuclear disarmament." Commenting on the progress in the implementation of the trilateral accord signed by the U.S., Russian, and Ukrainian leaders in January this year, Gore expressed his satisfaction with the process and hope for Ukraine's accession to the nuclear non-proliferation treaty as soon as possible.

Ukraine is currently the fourth country to receive aid from the United States, the vice president said. This year alone, the United States plans to extend a 700 million dollar grant to the republic. He also stressed that it was in Ukraine's interests to implement economic reforms, the major condition of the G-7 promise of a 4 billion dollar aid package.

Emphasizing the productivity of today's meetings, Gore announced that a U.S. delegation was due to arrive in Ukraine next week to continue the discussion on the above subjects, followed by a group of U.S. Government officials in a month's time. They are expected to discuss aid to Ukraine from the Lugar fund.

Official Says U.S. Halted Printing of Vouchers

AU0208153594 Kiev HOLOS UKRAYINY in Ukrainian 30 Jul 94 p 4

[Unattributed report: "The Printing of Vouchers for Ukrainian Citizens Has Been Halted"]

[Text] At present, the printing in the United States of privatization certificates to be used by the Ukrainian population for cash circulation has been suspended.

This was told to INTERFAX-UKRAYINA agency by Yevhen Hryhorenko, head of the Department for Issues of Ownership and Entrepreneurship at Ukraine's Cabinet of Ministers.

It had been expected that the certificates would be printed free of charge and shipped to Ukraine this coming August within the framework of the United States' economic assistance to Ukraine.

"In connection with the new political situation in Ukraine and the intention on the part of the Supreme Council to suspend privatization in Ukraine, the sponsors began to fear that the certificates will not be distributed among the population. Their printing and delivery to Ukraine depends on whether the Supreme Council will show its readiness to go ahead with the privatization," he added.

In the opinion of specialists, cash privatization certificates enable all citizens to take part in the privatization on an equal basis.

Within the framework of the U.S. assistance in conducting privatization throughout Ukraine, it was also planned to create privatization centers and organize training of the public. The United States intended to allocate $32 million for implementing the "privatization" program, including $4 million for printing the certificates.

The creation of a single information system for the population is also in the program for international assistance to Ukraine within the framework of TACIS [Technical Assistance to the CIS].

However, according to Ye. Hryhorenko, the implementation of the above projects has presently been halted.

Zatulin, Migranyan Trip to Ukraine Reported

MK0208122894 Moscow NEZAVISIMAYA GAZETA in Russian 2 Aug 94 p 3

[Report by Ivan Okrainov under the "Meetings" rubric: "Zatulin and Migranyan Visit Ukraine and Talk With Leonid Kravchuk for an Hour and a Half"]

[Text] Konstantin Zatulin, chairman of the State Duma Committee on CIS Affairs and Relations With Fellow Countrymen; and Andranik Migranyan, the committee's chief expert; were in Ukraine between 29 and 31 July. In the course of the trip undertaken in the interest of developing new, special relations of strategic partnership between Russia and Ukraine, a message from State Duma Chairman Ivan Rybkin was passed on to Ukraine Supreme Soviet Chairman Oleksandr Moroz.

Discussed in a conversation with Ukraine President Leonid Kuchma and approved by him was the idea for

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setting up a Quadripartite Commission—a public-political club of new-generation, promising politicians, entrepreneurs and experts of Ukraine, Russia, Belarus, and Kazakhstan. President Kuchma will supposedly be honorary chairman of the proposed commission on the Ukrainian side.

The first Russian guests to visit the former Ukrainian president since the elections noted with satisfaction the desire voiced by him, during the one and a half hour visit, to assist the Kuchma administration's efforts; they wished Mr. Kravchuk success in carrying our his new plans.

Konstantin Zatulin and Andranik Migranyan took part in Navy Day observances in Sevastopol and met with all the top officials of Crimea.

Russia To Open Consulates in Odessa, Lvov

LD0208163394 Kiev UNIAR in Ukrainian 1415 GMT 2 Aug 94

[Text] Odessa, 2 Aug—A two-day visit to Odessa by Leonid Smolyakov, ambassador extraordinary and plenipotentiary of Russia to Ukraine, has ended. The talks between the Russian diplomat, Eduard Gurvits, head of Odessa's state administration, and Ruslan Bodelan, head of the oblast council, touched on Russia's participation in developing and utilizing the recreation zone in Odessa and also the issue of sending Russian freight through the Ukrainian-Bulgarian ferry crossing, Ilichevsk-Varna.

A fundamental agreement was reached on opening a consulate general of the Russian Federation in Odessa. The activity of the Odessa general consulate will extend to all oblasts in southern Ukraine, including the Republic of Crimea. [words indistinct] He intends to resolve the issue of opening a consulate general in Lvov, the activities of which would extend to the western region of Ukraine.

National Affairs

President, Cabinet Make New Appointments

AU0308093794

[Editorial report] The following is a summary of new presidential and Cabinet of Ministers appointments carried by Kiev URYADOVYY KURYER in Ukrainian on 30 Jul and by DEMOKRATYCHNA UKRAYINA in Ukrainian on 2 Aug 94:

RAZUMKOV, Oleksandr Vasylyovych, was appointed first assistant to the Ukrainian president and leader of the group of Ukrainian presidential assistants and assessors by Ukrainian presidential edict of 25 July 1994;

Ukraine's Cabinet of Ministers appointments:

YAKOVYSHYN, Leonid Hryhorovych—adviser to Ukraine's prime minister (relieved from the post of adviser to Ukraine's acting prime minister);

BUKOVYNSKYY, Stanislav Albinovych, deputy minister of finance; STYCHYNSKYY, Bronislav Stanislavovych, deputy minister of justice; and MAKAROV, Anatoliy Andriyovych, deputy chairman of the State Committee for Issues of Borders, replacing HONCHARUK, Mykhaylo Oleksiyovych; SHEVCHUK, Petro Ivanovych; and ARTYOMOV, Oleksandr Serhiyovych in the Interdepartmental Commission for the Analysis and Preparation of Documents on the Creation of Special (Free) Economic Zones;

An additional post of first deputy minister of Ukraine's Cabinet of Ministers was introduced. DOTSENKO, Ivan Pylypovych was appointed to that post.

HERMANCHUK, Petro Kuzmovych has been dismissed from the post of Ukraine's first deputy minister of finance owing to his transfer to another job.

Masol Denies Major Changes in Government

AU0208172794 Kiev HOLOS UKRAYINY in Ukrainian 30 Jul 94 p 4

[Unattributed report: "Only Some Reshuffling in the Government May Be Expected"]

[Text] Ukraine's Prime Minister Vitaliy Masol stated that, after new President Leonid Kuchma has assumed his post, only "some reshuffling" is possible in the Cabinet of Ministers, but "on the whole, the formation of the Cabinet of Ministers has already been completed."

In an exclusive interview for the INTERFAX-UKRAYINA agency, he stated that "only individual questions regarding individual candidacies, in particular for the ministers of forestry and education, have remained unresolved."

Answering the question of the post of minister of foreign affairs, V. Masol said that he did not think "that we will change our external policy." "Today, many rumors are in circulation," added the prime minister.

Earlier, L. Kuchma stated that there may be changes in the Cabinet of Ministers after he occupies the post of president.

V. Masol showed support for the idea of strengthening executive power, without which "there is no proper management." He also pointed out that "every branch of power must be responsible for its sphere."

According to him, it may take three to four months for the budget formation to be revised. Earlier, the Ukrainian Parliament approved a deficit-free budget for 1994, but provided for the possibility of amending it on a three-month basis.

V. Masol also spoke in favor of granting subsidies to coal enterprises. "We must try to avoid free prices of coal,

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taking into account the fact that our price-formation system is not properly adjusted," he believed.

According to him, "this is also in conformity with the concept of Leonid Kuchma and Oleksandr Moroz."

Ukraine's prime minister denied the assumption to the effect that oil deliveries to the republic may be reduced following the change of the head of state.

Information on that was due to the fact that the agreement with the "Nordex" firm on oil deliveries from Russia had been signed by the head of the former Cabinet of Ministers. Some experts believed that after a new leadership came to power, that agreement could be canceled.

"Oil is now on the way here," said V. Masol and added that "over the first six months of the year, we received 8 million tonnes, and expect to get 10 million tonnes over the second half of the year."

Cabinet Discusses Economic Plans for 1955

LD0208204994 Moscow INTERFAX in English 1800 GMT 2 Aug 94

[Text] On Monday the Ukrainian cabinet discussed the economic and social development plan for 1995. By the end of September ministries should make a draft and submit it to the government.

The main objectives of the plan are to stabilize production and curb inflation. Priority will be given to the advancement of agriculture and related industries, the fuel and energy industry, the introduction of energy-saving technologies, the restructuring of the economy to intensify the production and sales of consumer goods.

All indices of the plan and government contracts shall be obligatory for all government companies.

After the session the Economics Minister Roman Shpek told a news conference that the government intends to use economic levers and regulate the prices of only key raw materials, fuel, energy, the output of monopoly producers as well as basic food stuffs and children's goods. The government will strictly control money circulation. Budget spending should not exceed the revenue.

In 1995 Ukraine intends to fully switch from taxing incomes to taxing profits which necessitates a revision of the rates. The government also plans to introduce income declarations.

Shpek said economic plans will proceed from volumes of sales rather than volumes of production.

According to the minister, Ukraine will not look for its own special road of economic development but rely mostly on the experience of countries that have traversed the road from a regulated and administered economy to a free market.

The minister felt that the future plan will not differ radically from the concept announced in parliament by its speaker Oleksandr Moroz.

The Economics and Finance Ministries together with the National Bank, according to Shpek, are now working on a new pattern of resolving the problem of non-payments and covering the budget deficit which now after the first half amounts to some 20% of the gross domestic product.

Ukraine Turns to West For Help With Market Reforms

MM0308081294 London FINANCIAL TIMES in English 2 Aug 94 p 14

[Report by Jill Barshay: "'Twere Well it Were Done Quickly"]

[Text] With U.S. Vice-President Al Gore arriving in Kiev today, Ukraine's newly-elected president is spending his second week in office just as he spent his first: Talking to western leaders about launching a programme of market reforms to rescue one of Eastern Europe's most unstable economies.

Mr. Leonid Kuchma's courting of the West is a remarkable reversal of his campaign theme of integration with Russia. Instead of the widely-expected post-victory trip to Moscow to smooth relations with Russia's President Boris Yeltsin, Mr. Kuchma last week entertained the head of the International Monetary Fund. He agreed to draw up an economic reform programme in conjunction with the IMF by October.

"We'll always have time for Russia," said one senior Kuchma official as he came out of a meeting with Massachusetts Institute of Technology economist Mr. Rudiger Dornbusch, who may become an adviser to the president. "We need to use the opportunity we have now to meet with the west."

Mr. Kuchma's only tilt in Russia's direction since he took office has been a vague joint statement with Mr. Yeltsin on the importance of resolving soon Ukraine's dispute with Russia over the future of the Black Sea Fleet.

In appeasing Russia but making deals with the West "Kuchma is playing a smart game—he's continuing the ambiguity over Ukraine's geopolitical orientation but pursuing economic reform to get western assistance," says Mr. Ian Brzezinski of Ukraine's parliamentary advisory council, which acts as an independent think tank. In balancing his actions, he is motivatived in part by political pressures: "He realises taking the Russian path creates too much tension with Ukraine's nationalists," says Mr. Brzezinski.

But Mr. Kuchma also seems to be following the footsteps of the Russian Prime Minister Victor Chernomyrdin, the ex-Soviet industrialist who, in spite of a reputation as a conservative, has been pragmatic in his relations with

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the West. Mr. Chernomyrdin eventually succeeded in carrying out a programme more austere than that of his radical predecessor Mr. Yegor Gaydar.

To buttress the links he is making with the West, Mr. Kuchma, a former missile factory boss, has brought into his administration a younger generation of Ukrainians eager for the country to embrace Western-style market reforms. At stake is $4bn of World Bank and IMF loans for economic restructuring promised at the Naples summit last month of the Group-of-Seven main industrial nations (G7).

One recruit is 34-year-old Mr. Volodymyr Kuznetsov, recently named as head of Mr. Kuchma's Economic Service, which is responsible for drawing up policy proposals. Mr. Kuznetsov was trained at Moscow State University by the Gorbachev-era radical economist, Mr. Stanislav Shatalin, author of the 1990 "500 Days Plan" which was to introduce market forces into the Soviet Union. (It was watered down by the then Soviet leader.)

The initial signs are that Mr. Kuznetsov will have few difficulties working with the two ministers responsible for economic policy—even though both were appointed by Mr. Kuchma's predecessor, Mr. Leonid Kravchuk. Economics Minister Mr. Roman Shpek is keen to see an IMF programme adopted, while Western observers saw Mr. Peko Hermanchuk, the finance minister, as a welcome replacement for his predecessor, Mr. Hrihory Pyatachenko, regarded as a typical old-school, Soviet minister.

But if Mr. Kuchma is to lay the foundations of an economic programme that would meet IMF approval he has only a short time to act. Ukraine's communist-dominated parliament adjourned last Friday for a one-and-a-half month summer recess. "We're going to use this window to the maximum," said Mr. Kuznetsov. He has on his desk draft decrees awaiting the president's signature in the next few weeks which propose action in four main areas:

—The clarification of the debt position of state enterprises and the launching of bankruptcy proceedings against those judged to be deepest in the red.

—The introduction of a single exchange rate by late autumn to replace the current complex system o f market and various official exchange rates.

—A switch to issuing government bonds to cover new debt incurred by the government instead of printing money.

—Lowering official interest rates to spur investment.

Western economists say these measures are a good first step—in particular because of the impact they will have on government finances. A Western-backed Programme, however, would almost certainly involve far more extensive changes to the structure of Ukraine's overwhelmingly state-dominated economy (less than 10 per cent of enterprises have been privatised).

"My sense is they're (the administration) ready to start now to see what it means to stop the deficit," said Mr. Dornbusch. "The wind is blowing strongly for change. But it won't be easy."

Mr. Kuchma has yet to prove that any decrees he signs will actually be implemented—given the cumbersome state of Ukraine's bureaucracy. But the parliament could overturn even the limited steps proposed so far by Mr. Kuchma. The largest parliamentary faction—from the revived Communist Party of Ukraine—pushed through a temporary freeze on privatisation shortly before the summer recess. The president appears to be gambling that he can cower the parliament into endorsing his economic plans.

This will not be easy. An apparently fickle electorate voted for a parliament hostile to economic reform three months before it elected Mr. Kuchma president after a campaign in which he had promised just such changes.

Adding to the task Mr. Kuchma faces are Ukraine's mounting economic problems, which threaten to make reform harder than elsewhere in the former Soviet Union. For instance, the economy, left with the steel mills and heavy industrial plant set up to equip the old Soviet military machine, was developed at a time when oil was supplied virtually free from Russia.

"It's much easier to turn around a small country like Estonia. Ukraine is one of the largest countries in Europe," says Harvard economist Professor Jeffrey Sachs. "You're talking about a very large number of people. So much industry is in the wrong place."

Ironically, Ukraine's economic decline since independence in 1991 has, in some respects, made reform easier. One factor is psychological: Falling living standards for the country's 52m citizens have convinced an increasing number that radical reform is needed. Steep falls in production also mean "much downward adjustment associated with structural reform has already taken place", according to Professor Sachs.

But the deterioration has encouraged the black market. To some extent that is also a good sign, suggesting a nascent market economy is emerging. But evading the law has become so commonplace that it will be hard to encourage people to pay taxes even if administrative regulations are relaxed to free up trade.

That adds to the pressure on Mr. Kuchma to act sooner rather than later. Just as the parliamentary recess offers him an opportunity, it is also an opening for the West to assist and promote a genuine stabilisation programme in an economically backward country which could become politically unstable if its economic decline spirals out of control. "When you come in and say we're ready to help from the start, there's a greater chance of things of working," said Professor Sachs.

For the West, a stable Ukrainian economy would put in a less threatening light the problems of the Chernobyl

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nuclear power station and Ukraine's ageing nuclear weapons. With the new administration there is a chance to put relations on new footing. "Kuchma's the new man. It's a chance to see if there's a new opening to do something different," says one Western diplomat. More basically, the prospect of Western money flowing into Ukraine's distressed economy may help the president overcome the considerable domestic obstacles to reform.

Opposition Calls for Mass Protests Against Kuchma

LD0208175794 Kiev UNIAN in Ukrainian 1520 GMT 2 Aug 94

[Text] Ternopol—Members of the Congress of National Democratic Forces and a bloc of the oblast's nationalist organizations held a joint meeting on 1 August. A coordinating council of the region's parties, movements, and civil organizations was created. The chairman of the oblast union of the all-Ukrainian Prosvita Society—named after Taras Shevchenko, Bohdan Holovyn, and Oksentiy Kamenyuk [as received]—who heads the Congress of Ukrainian Nationalists' [KUN] oblast organization, proposed that representatives of parties and civil groupings should begin organizing mass protest actions in the localities against the principles in Leonid Kuchma's inaugural speech concerning granting official status to the Russian language, signing an economic union with Russia, and Ukraine's integration with Eurasia. This was recommended to them at the all-Ukrainian general meeting of Prosvita and KUN. It was proposed to send not collective but individual letters to the president, instead of expensive telegrams, and also to send copies to the parliamentary chairman.

In Lvov, The leadership of the Organization of Ukrainian Nationalists has sent a statement to Ukraine's president Leonid Kuchma. "Mr. President, your first steps do not benefit the Ukrainian state and its nation and, if that is the case then we will not, Mr. President, support your policies. Your coming to power has not brought calm to Ukraine, on the contrary, it has aroused alertness." The main leadership has addressed all Ukrainian nationalists to be vigilant, to unite all forces, and if required to defend the fatherland "in the face of a new threat on the part of neo-communism."

Rukh Chairman Reviews Presidential Elections

WS0308073094 Lvov VYSOKYY ZAMOK in Ukrainian 28 Jul 94 pp 1,2

[Interview with Rukh Chairman Vyacheslav Chornovil by Nataliya Balyuk; place and date not given: "One Does Not Shake His Fists After Elections..."]

[Excerpts] **Political activists and common people differ in their assessments of the results of the presidential elections. Since it became known that Leonid Kuchma had been elected Ukrainian president, there have been several telephone calls to our editorial board; people were crying: "What have Chornovil and Khmara [chairman of the Ukrainian Conservative Republican Party] done?" After the elections, Rukh and Vyacheslav Chornovil are also being berated by certain political organizations in Lvov Oblast. We have requested that Rukh Chairman Vyacheslav Chornovil explain this situation.**

[Chornovil] Perhaps the reaction of these people is primarily a reaction to the statements and behavior of Larysa Skoryk [leader of the National Movement of Ukraine], who grossly distorted Rukh's position regarding the presidential elections—the position of the Rukh Little Council. Obviously, people who are saying that do not know that Rukh made every possible effort to not elect Kuchma. We believe that we adopted reliable tactics in these elections. Without these tactics, Kuchma would have won as early as the first round. By the way, Oleksandr Moroz also helped us quite a bit. It was a positive thing that there were two serious candidates—Oleksandr Moroz and Volodymyr Lanovyy—who stripped Kuchma of some votes. I believe that we took a correct step, secretly supporting Volodymyr Lanovyy in certain oblasts, and at the same time not campaigning against Kravchuk. In this way, we forwarded Kravchuk and Kuchma to the second round. I will repeat, we were supporting Lanovyy in eastern Ukraine, and Kravchuk—in western Ukraine. We made Kuchma's victory not so convincing.

Moreover, I am angry at the behavior of certain political leaders, who vainly declared their support for Kravchuk, but did not raise a finger to really support him. We sent to eastern Ukraine three "caravans" of leaflets, in which we were convincing people to not vote for Kuchma. We spent a lot of money on those leaflets. On election day, I personally toured 25 of Kiev's districts, and I saw observers neither from the Republicans nor the democratic parties. There were only observers from Rukh and Kuchma. I am now surprised to read that Rukh is apparently to blame for Kuchma's victory. It was hard to prevent his victory! I stated at a news conference immediately after the elections that Kuchma did not win—Kravchuk lost. No matter how we were supporting Kravchuk during the last days before the elections, we saw that Leonid Makarovych [Kravchuk] did not always speak and act in the proper way.

First of all, his personnel policy was useless. By the way, his own cadres betrayed him. In certain regions, presidential representatives were actually campaigning against him. This was revenge for his policy conducted in 1992.

When I handed over a list of candidates for presidential representatives to Kravchuk, he made no use of it. The only one I was able to push through was Stepan Davymuka. He is now accusing me of political treason.

Furthermore, I have recently read a statement issued by a well-known political activist, regarding Rukh's treacherous policy: Apparently, we were criticizing Kravchuk. So what, should we have coddled him for Crimea (even

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the current Supreme Council has assumed a more decisive position with regard to Crimea) and the Black Sea Fleet? We were in opposition, but we were loyal. By the way, we never addressed the issue of early presidential elections. This issue was raised by communists and miners. We addressed the issue of early Supreme Council elections.

People are complaining that we were supporting, albeit passively, Lanovyy. I can now reveal that the candidacy of Lanovyy was coordinated with Kravchuk. I personally met with Kravchuk and coordinated Lanovyy's candidacy, as the one who would strip Kuchma of some votes in eastern regions. The position of the Rukh Little Council was optimal. We focused all of our strength on preventing Kuchma from becoming president and directing our actions toward particular regions.

[Balyuk] Is your attitude toward Kuchma really so negative?

[Chornovil] We were his opponents.

[Balyuk] After your news conference in Kiev, certain people have come to believe that you "rushed to fall into Kuchma's arms..."

[Chornovil] Nothing of the kind! Perhaps a certain phrase was extracted from my news conference, and it served as a foundation for such reasoning. Nevertheless, no matter how it is extracted, it is hard to extract more than I what I said. I stated, and I repeat, the following: "Kuchma did not win. Kravchuk won his own defeat." By the way, Kuchma's victory does not mean that 52 percent of voters want to dispose of our statehood and fall into our neighbor's arms. This rather was a reaction to our economic situation, not support for Kuchma or his ideas. Such a development was, unfortunately, natural. Let us recall the United States—if there is even a slight economic drop, the people will undoubtedly vote against the current President. We are almost standing on ruins.

I also stated that Kuchma, having come to power, will hardly implement certain ideas he advocated on the eve of the elections. He began to abandon them as early as the last days before the elections. I cannot imagine a man who assumes the office of president, and at the same time dreams of becoming a puppet of a neighboring country, moreover, having become the president of a great European state. There is another moment. Let us recall how many promises newly elected presidents really keep, for example, in European countries and all over the world. They adhere to no more than 15 percent of what they promise.

[Balyuk] Do you not think that the choice between Kuchma and Kravchuk divided Ukraine into two camps?

[Chornovil] I am very concerned that certain newspapers have published a map of Ukraine, on which eastern Ukraine is painted in bright colors, and western Ukraine—in dark, as if Ukraine has split. No. In certain oblasts where Kuchma won, there were also many votes cast for Kravchuk. Kuchma himself is not interested in a split either. One must wait until he meets oblasts that voted against him half-way. We already saw this at his first news conference. Thus—though absolutely not idealizing Kuchma and remaining cautious about certain ideas and slogans of his—we believe that one must look for ways to meet the other side half-way. Our Little Council decided to place demands before Kuchma—what do we want from the president. Among these demands there will be the absolute inviolability of our attributes of statehood, national symbols, borders, state language, the Constitution, etc. If Leonid Danylovych agrees to that, we will cooperate. We can be in opposition and cooperate at the same time.

Perhaps the complexity of the current situation also lies in the fact that Kuchma will have to fight with the Communists. The Communists did not want Kuchma's victory; they wanted Kravchuk's defeat. Thus, they were supporting Kuchma to a certain degree. They expected no one to win. At Supreme Council Presidium meetings, I sit in front of [Communist Party Chairman] Symonenko, and next to him sits another communist, who has already led me aside and said: "Kravchuk lost. We did not want Kuchma. Maybe we will return to restricting the president's powers?" Do you understand? They already want to restrict the president's functions. They want the domination of the Supreme Council Presidium, meaning Moroz's domination. Kuchma will not, however, allow anybody to dominate. Furthermore, Kravchuk planted a "delayed-action mine" under Kuchma by having formed the government. Let us recall: Kuchma has repeatedly stated that he does not need any prime ministers, he wants to lead the government himself. Now, he already has a prime minister. It is therefore not ruled out that we will have to support Kuchma in his fight against the Communists.

Let us presume, however, that Kuchma begins to implement certain of his ideas such as the "ruble zone," "economic space," "cooperation with Crimea on a parity basis," etc. Then, we will not simply oppose him, but we will call on the people—and western and central Ukraine support us—to counteract, and even to stage actions of civil disobedience. This should alarm Kuchma. We have quite often been saying that the most dangerous threat to Ukraine is the "Kuchma-Hrynyov" bloc. Some two months ago, I met with Kuchma at his initiative. During this meeting, which was conducted in a calm, normal atmosphere, I drew his attention to certain points of his program. He, somewhat surprised, asked me what I am citing. I reply: "Your program." Kuchma concludes: "This must be something written by Hrynyov." This means that he wanted to dissociate himself from something as early as that meeting.

[Balyuk] Our newspaper has published a UNIAN report in which political activists were cited as voicing their attitude to Kuchma's victory. It included [Ukrainian Republican Party Chairman] Mykhaylo Horyn's opinions, who bitterly criticized Rukh.

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[Chornovil] Perhaps Mykhaylo Horyn has somewhat lost his orientation in politics. He states: "Now we can see that Rukh's criticism against the president was criminal." I believe that he should keep silent, because his party did nothing for victory of its darling in the elections. We never stated that we were in opposition to the president. We stated that we were in opposition to all the authorities; yet, it was a constructive opposition, which did not rule out cooperation. I personally met with Kravchuk several times, and I presented to him my proposals. To term this a crime now, and to state that "a man hostile to Ukraine has come to power..."

How can one do that? Leonid Kuchma is the legitimate president! I believe that no politician has the right to state otherwise.

[Balyuk] Do you think that there is any political future for Leonid Kravchuk?

[Chornovil] An idea to establish a Kravchuk party has recently appeared. I do not believe, however, that such a party will be formed. Is it an attempt to unite all democratic forces around Kravchuk? I believe that it is an abortive idea. Perhaps for Kravchuk, as a political activist, it is better to establish not a party but a fund, a civil organization rather than political one. I cannot now imagine Kravchuk's political platform, because he never had one. He was trying to cooperate with both communists and nationalists. [passage omitted]

[Balyuk] At the end of our conversation, I would like to learn how do see your political future?

[Chornovil] So far, I am Rukh chairman...

[Balyuk] Are you also the ooposition leader?

[Chornovil] I do not know. We have not established a joint bloc, all the more so that there is no common leader. I am against such a leader. I am the leader of the Rukh faction, and I believe that our faction is currently working well.

[Balyuk] Thank you for the conversation.

Procurator Begins Criminal Proceedings Against 'Blasco'

AU0208124994 Kiev HOLOS UKRAYINY in Ukrainian 30 Jul 94 p 1

[Unattributed report: "At Ukraine's Procurator General's Office"]

[Text] At the beginning of the year, Ukraine's Supreme Council Standing Commission for Issues of Development of Supplying Branches of the National Economy examined the activity of the Black Sea Steamship Company ("Blasco" Concern) and, in accordance with the Supreme Council decree, submitted all the relevant materials to the Procurator General's Office.

Based on the materials collected by the commission, a Procurator's inspection was carried out between February and July 1994. Concurrently with that, at the request of Ukraine's Supreme Council, corresponding departments made a comprehensive revision of the financial and economic activity, accounting, material values, and credits and commercial accords concluded by the "Blasco" Concern between 1992 and 1994.

The materials of the Supreme Council commission, audits of the financial and economic activity, and the Procurator's inspections have revealed considerable abuse by individual officials of the Black Sea Steamship Company—the "Blasco Concern"—during the distribution and sale of sea-faring commercial fleet vessels, conclusion of credits and commercial accords, and so on. As a result, much harm has been inflicted upon Ukraine's state interests. In view of these facts, Ukraine's Procurator General's Office on 25 July instituted a criminal case.

Meshkov Foresees Ukraine-Crimea Stabilization

LD0208200894 Moscow INTERFAX in English 1853 GMT 2 Aug 94

[Text] Crimean President Yuriy Meshkov said he believed that with the new Ukrainian President Leonid Kuchma in power and the government reshuffling, Ukrainian-Crimean relations will stabilize. "Everything nationalist is being removed from the political spectrum and the alteration in policy is real," Meshkov said in an interview with Interfax today.

Meshkov said he believed that the process of drafting the treaty between Crimea and Ukraine is proceeding as normal. Crimean and Ukrainian parliamentarians are now working on this treaty trying to find mutually acceptable solutions.

Meshkov denied that entrepreneur Mikhail Korchelava, killed three days ago, had been his economic advisor. "He had nothing in common with the president's administration and was just a member of the Economic Council public organization," Meshkov asserted.

Meshkov said he believed Korchelava's assassination was a part of the ongoing struggle between criminal structures on the peninsula. Meshkov said he regretted that the former Ukrainian leadership had done much to wreck the Interior Ministry structures in Crimea, resulting in an escalation of criminal activity.

Meshkov: Crime Situation Worse

LD0208185994 Moscow ITAR-TASS in English 1731 GMT 2 Aug 94

[by ITAR-TASS diplomatic correspondent]

[Text] Moscow August 2 TASS—The recent murders in the Crimea, including the one of businessman Mikhail Korchelava, are not political, they are part of a war between local criminal groups, Crimean President Yuriy

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Meshkov told a news conference to mark the 26th general conference of the World League for Freedom and Democracy in President-Hotel here today.

Meshkov, who will attend the conference as a guest, refuted press reports claiming Korchelava was his economic adviser. In his words, the businessman was a member of the non-governmental consultative organization "Economic Council" which was the reason for misinterpretation of his post.

The crime situation has aggravated in the Crimea, admitted Meshkov. In his words, it was caused by "the actual blocking of local law-enforcement bodies on the part of the Ukrainian Interior Ministry". The Crimean criminal groups took advantage of the situation and started a war which was taken for political murders by the press. The Crimean Interior Ministry has full control over the situation and the crime wave will be stopped, assured Meshkov.

The president did not refute a press report claiming he will meet Russian leaders in Moscow. At the same time, Meshkov said that his Moscow visit aims at participation in the conference.

The forum to be attended by representatives of over 70 states will open on Wednesday at Moscow's President-Hotel and last through August 5 under the chairmanship of President of the League's Russian Branch Gavriil Popov.

Meshkov on Parliament, Dual Citizenship

944K1939A Simferopol KRYMSKAYA PRAVDA in Russian 28 Jul 94 p 2

[Interview with President of Crimea Yuriy Meshkov by T. Ryabchikova; place and date not given: "The Results Will Show in the Fall"]

[Text] **It is quite some time since I met with the president for a talk on the letters from readers of KRYMSKAYA PRAVDA. A great multitude of letters addressed to Yu.A. Meshkov has been received in the two and one-half months.**

A large part of them are of a very personal nature, and the authors ask that I not give their names but hand over the letters to the president himself. Which I did. All your letters, dear readers, were handed to the president in person.

With Yu.A. Meshkov's consent we altered the style of the interview somewhat, having summarized the questions that trouble Crimeans most.

[Ryabchikova] So, Yuriy Aleksandrovich, what has happened in these two months? How is the realization of your program going? What have you managed to get done, and what have you not?

[Meshkov] On the one hand the social and political situation is changing for the better. The election of a new president of Ukraine permits us to hope for a change in the political climate and an improvement in relations between Ukraine and Russia and, on this basis, between Crimea and Ukraine also.

I have established a multitude of essential economic relations with Europe. Nonetheless, relations with the Russian Federation remain the priority for us. Success has been achieved here and is developing in the direction of a specification of treaties and agreements with the Russian Federation and the government of Moscow. Specific agreements at ministerial level are already being concluded. A representative of the government of Moscow in Crimea has been appointed.

Alongside the Supreme Council there will be a building which houses the missions of the Russian Federation, the government of Moscow, and the North Caucasus Association (it includes our neighbor Krasnodar Kray).

Oblasts and krays of Siberia are prepared to plug into economic relations with Crimea. A working trip to Novosibirsk and then the conclusion of a specific treaty are planned in the very near future to this end. A similar mutually beneficial agreement is being worked up at this time with Bashkiria.

Promising new contacts have been established with the oblasts of Ukraine that are the most potent economically: Dnepropetrovsk, Donetsk, Lugansk, and Kherson. The conclusion of joint treaties on reciprocal supplies of products and services and the production of this commodity or the other is planned.

To be as concise as possible, this is what may be entered on the graph with a plus sign. I would not want to develop this theme further inasmuch as the results of what has been planned could be tangible for each of our citizens no earlier than fall. We will talk then.

As far as the graph with a minus sign is concerned. This is undoubtedly the most brutal drought.

It is also the destruction of our Ministry of Internal Affairs. Inasmuch as the MVD catered for law and order on the territory of Crimea and, being demoralized and ravaged, was not in a position to tackle the new crime wave. This is a legitimate consequence of what is happening. I hope that the new minister of internal affairs of Ukraine will react to everything in the proper fashion.

[Ryabchikova] You believe that it was no accident that a power minister was replaced?

[Meshkov] Without question. The fact that the replacement occurred in an instant, with the adoption of a decree and edict of the president of Ukraine on an intensification of the fight against crime, what is more, testifies that the previous minister was not coping with his set assignment. He had not managed to curb crime. I am hoping that the new minister of internal affairs of Ukraine will be able to orient his subordinates toward

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the performance of their professional duties, not toward political fuss surrounding Crimea.

[Ryabchikova] Concerning the political fuss, incidentally. M.P. Zasimenko from the Sovetskiy township describes in his letter to you an everyday situation. His three sisters live in the Chernobyl zone, and their children and grandchildren frequently get sick, naturally. Each year they have come with their families to Crimea on vacation. Now they are afraid because it is said that there is a war going on in Crimea. "I have a request of you, Yuriy Aleksandrovich," the writer of the letter appeals, "write in the Ukrainian papers that everything is okay and calm here."

[Meshkov] This is what is happening. I was recently in Sudak at a meeting with mayors and chairmen of city executive committees of the Crimean Cities Association that has been formed there. I then went for a stroll around Sudak. So, then, I did not see such a number of visitors even in the years when I myself spent vacations here as a "wild one." They had come with their families, with children each one younger than the last. But they were all from Russia. Not once did I hear Ukrainian. The state itself, apparently, has prevented people that are sorely in need of this taking a vacation. After all, they will not go on vacation to Sochi—with our coupons! The ordinary people are paying a fearful price for politicians' ambitions.

[Ryabchikova] Parliament and president. How are the relations of the two branches of power shaping up?

[Meshkov] The relations are normal. If we disregard certain details. Among these are nonfulfillment of the approved session agenda. In accordance with my proposal, the question of the adoption of a law on the recall of a deputy had been placed on it. But it "fortunately escaped," I don't know how, from the agenda. I received the schedule of legislative work of the Supreme Council and saw with astonishment that discussion of this bill had been postponed until the end of the year. This is perplexing.

Second, you know that we have not previously had such a popular parliament. And it is striking how swiftly the deputies have become detached from the people and have come to feel their transcendental position, which has turned their heads. Because appointing for themselves a salary twice that of the president... I cannot find an explanation for this. I object to all these colossal payments being made from our empty coffers.

We can scrape together from it enough only for the barest essentials—holding down the price of bread and food. I shall, therefore, instruct the government not to make the payments that the deputies inserted in the law on their status and in the decree on their material support. These provisions of the law will not be fulfilled primarily for the reason that the budget does not permit it.

And the following nuance. The deputies pass a law on their own support. Well, if only from the ethical viewpoint, they should have presented it for signature to the president and heard his criticisms. I have considerable complaints about this law. And I demand that it be resubmitted for discussion with regard to the realities of our more than modest life. If, however, even after a repeat discussion the privileges and payments, inconceivable from my viewpoint, are left in the law, I shall reserve the right within the framework of legislation to influence these decisions adopted by the Supreme Council.

It is this that is causing a cooling in relations with parliament. And I have to say that all attempts to revise the status of the president and to limit his powers are futile. Inasmuch as the president, with the powers indicated in the law on the president, was elected by the people of Crimea. And only he has the right to revise and limit these powers.

In addition, the demand of our citizens that the president under extraordinary economic circumstances be granted the powers that are called "right to rule by decree" has not been met at the present time. And this is essential, it is dictated by the situation.

And whatever the spiteful talk in this connection, let's put it this way, of an unfriendly press, everything will be done to ensure that the economy of Crimea strengthen. That it be infused with both finances and actual content. And that all the promises made in the course of the campaign by both the president and the Russia bloc be fulfilled.

[Ryabchikova] Yuriy Aleksandrovich, parliament has passed in its first reading a law on citizenship. How do you evaluate it?

[Meshkov] This was a principal demand of our citizens. It has now been realized in the constitution, and the constitution has confirmed the right of our citizens to dual citizenship.

The citizens are the foundation of the state. Lacking our own institution of citizenship, we could not speak of the full statehood of the Republic of Crimea, which is our sole and most powerful protection. I sincerely welcome this law, therefore.

[Ryabchikova] Nonetheless, we are not, unfortunately, a subject of international law. Crimeans' cherished desire may be realized, by all accounts, only as follows: The Supreme Council of Crimea must present a legislative initiative in the Supreme Council of Ukraine for the conclusion between Ukraine and Russia of a treaty on dual citizenship. Or is there some other possibility?

[Meshkov] There is one legal path. Relying on our constitution and the law on citizenship, we are required to present (we have been accorded this opportunity) a legislative initiative in the Supreme Council of Ukraine in order that it adopt the necessary enforceable enactments that secure the constitutional right for the citizens of the Republic of Crimea and not impede realization of the desired and long-awaited right of the citizens of

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Ukraine to hold dual citizenship. Inasmuch as this is not only a demand of Crimeans but of the inhabitants of the eastern and southern oblasts of Ukraine. That is, the entire electorate that voted for the new president of Ukraine voted also for realization of the right to dual citizenship.

As far as the Russian side is concerned, its position has long been known. It was the Ministry of Foreign Affairs of the Russian Federation that prepared the draft law and treaty on dual citizenship and handed them to the Ministry of Foreign Affairs of Ukraine. We need only find this document in the depths of the Government of Ukraine and realize it.

[Ryabchikova] The subject of citizenship is also raised in a letter of the Greek Parmaksis family that returned to its homeland in Belogorskiy Rayon following deportation from Uzbekistan. The whole problem is that the adult son cannot obtain citizenship of Ukraine (he was told: Wait five years and learn the official language). And without it he cannot get an overseas passport to visit his relatives in Greece.

[Meshkov] The infringement of the human rights to movement, to acquire citizenship, and to the freedom to leave and enter the state of residence is impermissible, from the viewpoint of international law. Once again none of this adds to the Ukrainian state's popularity. But we are required to do everything within in our power to ensure that there be no infringements of human rights in the Republic of Crimea. It is obvious and essential that citizenship of the Republic of Crimea remove such problems and that each citizen of ours have an opportunity to realize his legitimate constitutional right to obtain dual citizenship. All such problems would be removed with the solution of these questions.

[Ryabchikova] Ava Ismailovna Beytulayeva, a retiree from Belogorskiy Rayon, complains to you: "Our mejlis shows no concern for us. They are provided for. They have built themselves such mansions. My husband and I live in a mud hut: The room and kitchen were built before the war. We wrote to the mejlis for help if only in renovation. No response. So much humanitarian aid has come from many countries, but we have seen none of it. Were we to have built for us if only one tiny room in the country (although we left a six- room house in Uzbekistan), I would be very happy." A.I. Beytulayeva approves of your edict on the deported peoples and very much hopes for your assistance.

[Meshkov] Thanks to Ava Ismailovna for her kind words. I totally agree with her assessment of the activity of the leadership of the mejlis. It is abnormal, of course, that she should be forced to address her concerns to the leader of the state. But the mejlis has other concerns, other interests. The only thing they do not want is an inspection of the passage of the monetary resources issued for the needs of deported citizens. And, in addition, the opening of new banks and other commercial enterprises. Both the sources and where the money has gone will, of course, be established. And why such a contrast between the staggering prosperity of some and the poverty of others has arisen, although the money was allocated for all.

Of course, all that depends on me, as president, for fulfillment of the housing program will be done. This program is a priority among those whose funding we are seeking. It includes, of course, assistance to the deported citizens also. And I hope that Ava Ismailovna will, unless she declines this request, of course, invite me to her housewarming party. As far as the actual facts set forth in the letter are concerned, I will adopt the necessary measures for an investigation into the housing question of the Beytulayev family.

[Ryabchikova] L.V. Kapralova from Simferopol thanks you for your assistance in the registration of her daughter.

[Meshkov] Thanks for the kind words. But I would like to say once again that this is abnormal when for the solution of such questions people are forced to appeal to the president.

[Ryabchikova] Yuriy Aleksandrovich, in conclusion, by way of tradition, what would you like to say to readers of KRYMSKAYA PRAVDA?

[Meshkov] I would like them at this difficult time to support their newspaper, which has already withstood so many ordeals, and which they may rely on it as an objective source of information. Appeal with the newspaper's help to me directly with your problems, questions, and needs. Your letters enable me to make an objective evaluation of the situation and my work.

Crimea's Presidium Fails To Resolve Differences

LD0208200694 Kiev UNIAN in Ukrainian 1830 GMT 2 Aug 94

[Text] Simferopol [no date as received]—The presidium of Crimea's Supreme Council held a closed session on 2 August. It examined the issue of the coordination of actions between the Republic of Crimea's parliament and government. Crimea's Deputy Prime Minister Yevhen Saburov took part in the meeting.

In the view of Viktor Mezhak, deputy chairman of Crimea's Supreme Council, the dispute between the government and parliament is continuing because government representatives are criticizing the deputies in the mass media, but there will be mutual understanding as soon as the plan of meetings of the presidium, the government, and MP's has been agreed and the campaign of attacks in the press stops.

Saburov thinks that the government is working under difficult conditions. It is being constantly accused of not fulfilling the program of the "Rossiya" parliamentary bloc. In his view, the Supreme Council, for its part, does not coordinate its actions with the government.

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Hennadiy Reshetnikov, a member of the presidium of Crimea's Supreme Council, thinks that "instead of mobilizing the masses to struggle against difficulties, the mass media is printing everything in succession."

Presidium member Serhiy Nikulin is convinced that the reforms that have been planned by the government will not be a success unless the population of Crimea supports them. In order for the "Rossiya" bloc to guarantee such support among the people, however, it is imperative that the government carry out its demands, but the latter has still not agreed to this. For this reason, observers have noted that the differences between the Supreme Council and the government will continue.

Mykhaylo Kukushkin, chairman of the Supreme Council commission for military issues, is of the same opinion. "The arguments will continue, and the hope that the conflict will be resolved has been extinguished."

Crimean Economics Minister on Declining Production

LD0208220894 Kiev UNIAR in Ukrainian 2020 GMT 2 Aug 94

[Text] Kiev, 2 Aug—Andriy Chernyavskyy, Crimea's minister of economy, told the KRYMSKAYA PRAVDA newspaper that production in Crimea is falling this year at a growing rate. Last year, the decline in production amounted to 10 percent. It has already reached 34 percent in the first six months of this year. The sharp fall was caused by Ukraine's increasingly tough anti-inflation policy and the growing dependence of Crimea's economy on Ukraine. Currently, Ukraine accounts for 80 percent of Crimean industry's trade turnover, while the flow of goods between Crimean and Russian companies has shrunk three-fold.

In Mr. Chernyavskyy's opinion, "considerable external financial injections into the Crimean economy are unlikely, at least because neither Ukraine nor Russia have had any yet. The West regards these areas as politically unreliable, despite the fact that Ukraine has a fairly advanced legislative framework for foreign investments." Andriy Chernyavskyy spoke in favor of "speedy privatization of municipal and especially communal properties. As for the recreation area, there should be no hurry."

Crimea Lifts Restrictions on Foreign Currency

LD0208204194 Kiev UNIAN in Ukrainian 1830 GMT 2 Aug 94

[Text] Simferopol—The Crimean Government on 2 August published the resolution "On the Introduction of a Multicurrency Regime in Crimea's Resort Areas" signed by Yevhen Saburov, the autonomous republic's deputy prime minister, in mid-July.

According to the resolution, companies of all forms of ownership in the service sector—including the retail trade, catering, and domestic services—at Crimea's resorts are permitted to accept cash payments from physical persons in any currency without limitations during the holiday season (until 1 November). Companies are required to obtain a license from the Crimean Republican Bank to accept foreign currency for goods and services. UNIAN has learned from reliable sources that the license fee is around $200-300. The resolution is valid in all Crimean localities within the resort area, including Simferopol. However, the right to accept foreign currency is denied to companies providing services for children and state-owned catering outlets.

"The resolution legalizes what has already been happening in Crimea for a long time, but now the republic's budget will benefit," Crimean Finance Minister Lyudmila Zaytseva said in a comment for UNIAN. According to her, talks are in progress between the Finance Ministry and the Crimean state's tax inspectorate on the procedures for implementing the resolution. It was due to come into force on 1 August, but companies have not had enough time to obtain licenses. "We will ask the tax inspectorate to refrain for one month from penalizing enterprises with multicurrency accounts," Zaytseva said.

Viktor Suslov, chairman of the Ukrainian Supreme Council's commission for financial affairs and banking, told UNIAN: "It is clear that the unidentified foreign currency implied here is the Russian ruble. This limits the circulation of the Ukrainian national currency, the karbovanets, and expands the circulation of the Russian currency. These are fairly obvious steps toward removing the Ukrainian currency from circulation in Crimea.

"This resolution may have very serious implications, despite the fact that it applies only to resort areas for a limited period. This is not a very convincing reservation, because it has always been possible to exchange dollars and rubles for karbovantsi. Besides, the resolution envisages foreign currency cash transactions and payments into current accounts. This is an obvious switch on Crimea's part to the currency unit of another state. I would not rule out that any day now we will see companies refusing to accept karbovantsi and demanding payment in foreign currency.

"I regret that we did not receive this information earlier. Now we must make a joint decision with the National Bank and the government, as it is beyond any doubt that the resolution violates Ukrainian law and the unity of its monetary system."

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Belarus

Lukashenka Appoints Three Ministers

WS0308082494 Minsk BELAPAN in Belarusian 0700 GMT 3 Jul 94

[Text] Belarusian President Alyaksandr Lukashenka has signed edicts appointing three ministers. Alyaksandr Lukashow, who previously headed the Supreme Soviet Commission for Industry, was appointed minister of transportation and communications; Volha Darhel—minister of social security; and Barys Batura—minister of housing.

Chyhir Outlines Economic Tasks

LD0208194594 Moscow ITAR-TASS in English 1859 GMT 2 Aug 94

[by BELINFORM correspondent Larisa Lazar—TASS]

[Text] Minsk August 2 TASS—Belarusian Prime Minister Mikhail Chyhir does not favor shock therapy but thinks that the government will have to take decisive measures. These measures will entail temporary drop in the living standards, the premier told the MOGILEVSKIE VEDOMOSTI newspaper today.

The first step of the government will be a price policy for the benefit of the economy. The government will focus on social protection and "do not introduce radical changes in price formation before a mechanism to help the poor is created", said Chyhir.

Another task of the Belarusian government is to restore the production. This topic will be discussed by the upcoming meeting of the Belarusian and Russian presidents.

The most important thing to do is to change the mentality of the Belarusian people, said the premier. "We will not solve many problems without discipline, activeness and patriotism. We should make honest labor the most treasured value," he added.

In the opinion of Chyhir, the first six months will be the most difficult for the authorities and the people. "We expect the first changes to come in the first-second quarter of 1995," he said.

Attorney General Reviews Elections, Acknowledges Violations

WS0308085694 Minsk Radio Minsk Network in Belarusian 0300 GMT 3 Aug 94

[Text] Such a significant event in Belarus' life as the first presidential elections cannot be left without a serious analysis. The office of the Belarusian attorney general has been the first official body to examine the election campaign. Belarusian Attorney General Vasil Shaladonaw has been forced to state in a report to the Supreme Council chairman that, in the course of preparations for the first presidential elections in Belarus, there were numerous violations of the Electoral Law. During the presidential race, the attorney general's office [word indistinct] five criminal cases, issued 14 resolutions regarding administrative violations, 12 people were officially warned, and in five cases [words indistinct].

Lukashenka's Visit to Moscow Previewed

LD0308081394 Moscow ITAR-TASS in English 0655 GMT 3 Aug 94

[By BELINFORM for TASS]

[Text] Minsk August 3 (TASS)—Byelorussian [Belarusian] President Aleksandr Lukashenka attaches much importance to his today's visit to Moscow. The bulk of work done by the presidential staff recently was directed precisely towards preparing the visit and elaborating a number of initiatives.

Lukashenka told journalists that he expects much from the visit to Moscow, particularly from a one-on-one meeting with Boris Yeltsin.

"My orientation in foreign policy is towards Russia. Priority is to be given precisely to it. We shall carry on negotiations with Russia and are prepared to have a good relationship with it. But the criterion is that relations should be mutually beneficial," Lukashenka stated at his first press conference in the capacity of president of Byelorussia.

It has become known from a source close to the Byelorussian president that a meeting between Lukashenka and Yeltsin is to be held in Moscow on Wednesday, to be followed by talks between the two countries' delegations. Talks with Russian Premier Viktor Chernomyrdin are scheduled for Wednesday afternoon.

Thirteen documents are to be discussed and signed during meetings and talks in Moscow. The main of them will be a treaty of friendship and goodneighbourliness, a draft of which has already been coordinated with the Russian side.

The two sides will also discuss the problem of enhancing the effectiveness of decisions being taken within the CIS framework. The Byelorussian side's proposals on changing some articles of the already signed treaty on the merger of the monetary systems of the two countries and on Byelorussia's participation in the construction of a Yamal-Europe gas trunkline.

As a result of talks with Chernomyrdin, the two sides are expected to sign a protocol on extending until October 1, 1994, of the already operational articles of the treaty on the merger of the monetary systems of Byelorussia and Russia, primarily those which envisage renunciation of duties on products supplied from Russia to Byelorussia.

The agenda of the talks also includes items concerning compensations to Byelorussia for fissionable materials

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from nuclear munitions, the strenghthening of military-technical cooperation, the delivery of Russian oil, Byelorussia's participation in the development of the oil and gas sector of Russia, the delivery of potatoes to Russia, Byelorussia's expenses connected with the stay of Russian strategic troops, Byelorussia's debt to Russia, and the granting of a long-term Russian credit for the second half of this year.

Lukashenka is expected to give a press conference on the results of the talks.

The president's forthcoming visit to Moscow and his meeting with Boris Yeltsin are highlighted in many Byelorussian publications.

A news analyst from the newspaper ZVYAZDA points out in this connection that "the Byelorussian leadership sets great hopes on the Moscow meeting of the two presidents not so much in view of the signing of an inter-state treaty as the possibility of getting Russian financial aid".

Prime Minister Mikhail Chyhir emphasised in the newspaper RESPUBLIKA that "relations which have been established between Belarus and Russia will develop. Maybe, on a somewhat different basis. We are working together and will continue to work together. I am sure of that."

Before leaving Minsk by air, the president of Byelorussia is expected to make a statement about his visit to Moscow.

Prospects for Ruble Zone Assessed

MK0308074894 Moscow KOMMERSANT-DAILY in Russian 2 Aug 94 p 3

[Grigoriy Selyaninov report: "Lukashenka Intends to Join the Ruble Zone On His Own Terms"]

[Text] Today Belorussia's [Belarus's] first President, Alyaksandr Lukashenka arrives in Moscow. Naturally, one subject at the negotiations is the prospect of Belorussia's joining the Russian monetary system. Documents from Minsk in KOMMERSANT-DAILY's possession show that the new Minsk team intends to start talks from positions clearly unacceptable for Russia.

Alyaksandr Lukashenka's election success was undoubtedly influenced by his orientation toward Russia. Once becoming the president, Lukashenka, in the Vzglyad program, stated that there is no politician in Belorussia more well disposed toward Russia than himself.

Yet judging by the Belorussia Foreign Ministry's note on changes in the treaty on merging the monetary systems of Belorussia and Russia signed by the premiers and chairmen of the national banks in April, Alyaksandr Lukashenka has his own understanding of the ruble zone. The gist of Minsk's new approach is that the emphasis is being placed on merging money while in fact the real issue should be Belorussia's acceding to the Russian monetary system. A diplomatic euphemism, elevated to principle, could bury the very idea of a new ruble zone.

The central point of the Minsk note is granting equal emission rights to the Central Bank of Russia and the National Bank of Belorussia. This point in Russian-Belorussian relations has been passed—moreover, twice. First, the previous round of talks brought the Belorussian side to understand the need to introduce changes into the Constitution whereby the ruble zone should have a single center of credit, monetary and currency policy, without turning into a tug of war. Second, the dynamics of Belorussia's economic position, regardless of political disputes, demonstrates the unacceptability of the Minsk design for Moscow.

From April till the end of July the market quotations of the Belorussian rubel fell from 10 to 14 rubels per Russian ruble. There is reason to expect further downfall. True, Lukashenka, in the heat of preelection exposes, cited a fantastic figure: Belorussia's budget deficit is nearing 100 percent of expenditures. Even if more realistic data are used, for June alone Belorussia's debt for Russian energy supplies has grown by 60 billion rubles, and this despite the lifting of export duties by Russia in the runup to money merging. In this connection yet another amendment to the treaty is very eloquent. Minsk refuses to use dollar-linked cross rates in exchanging non-cash rubels into rubles. The note also revises the balance reached when Russia lifted export duties in exchange for Belorussia's waiving charges on Russian transit and lease payments for Russian military installations.

If at the Moscow talks Lukashenka proceeds from the provisions of the Belorussian Foreign Ministry note, then talks on the ruble zone will be back at the early 1992 stage characterized by arbitrary emission and the absence of market mechanisms for mutual settlements: That is to say, everything that Minsk is seeking today. It is quite obvious that such a repetition of the past in no way suits Russia's interests.

Close Contacts Sought With Leadership

LD0208145294 Moscow INTERFAX in English 1346 GMT 2 Aug 94

[From the "Diplomatic Panorama" feature: by correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] The aim of a one-day visit to Moscow on Wednesday by Belarusian President Alyaksandr Lukashenka is to develop a close contact with the Russian leadership.

Belarusian Foreign Minister Uladzimir Syanko said on Tuesday in an exclusive interview with Interfax, that the development of relations with Russia, the main economic partner of Belarus, is the priority of the Minsk foreign policy.

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Minsk said that Belarus exports to Russia over 70 percent of the products, said the Minister.

Senko said that during the planned meetings between Alexander Lukashenko and Russian President Yeltsin and Prime Minister Chernomyrdin, the two sides are expected to decide the future of the monetary union of the two countries as well as the status and conditions of the presence in Belarus of the Russian military bases, the Gantsevichi radar station and the station for the control of the Russian Baltic Navy in the town of Vileika.

Senko said that that two sides will consider some nuances of a bilateral treaty on friendship, neighborliness and cooperation.

According to Senko, the two democratically elected leaders of Russia and Belarus must maintain close friendly contacts, not solely to suit their geopolitical interests.

Lukashenka Leaves for Moscow, Makes Statement

LD0308093994 Moscow ITAR-TASS World Service in Russian 0647 GMT 3 Aug 94

[By BELINFORM for TASS]

[Text] Minsk, 3 Aug—Belarus president Alyaksandr Lukashenka flew to Moscow this morning for talks with Russian president Boris Yeltsin and head of the Russian Government Viktor Chernomyrdin.

Before his departure he described the issue of merging Russian and Belarusian monetary systems as the worst problem, which "has to be solved urgently, rather than keeping society in suspense." He noted that there were also many problems connected with Belarus' debts to Russia. Thus, since July last year, the republic has not been able to pay in full for the fuel it receives from Moscow.

Speaking about the prospects for signing a bilateral treaty on cooperation and mutual assistance, Alyaksandr Lukashenka described the absence of such a treaty in just one word, "nonsense." In the words of the Belarusian president, there is preliminary agreement between the heads of the two republics, in accordance with which the document could be signed shortly.

"I am not going to foretell the results of the talks. But I do think that I will find a common language with the Russian president and head of government," Alyaksandr Lukashenka said.

People's Front Protests Friendship Treaty with Russia

MM0208130194 Moscow KRASNAYA ZVEZDA in Russian 2 Aug 94 p 3

[Report by Valeriy Kovalev: "Belorussian People's Front True to Form. Opposition Leaders Warn Belorussia's President Against Too Close Contacts with Moscow"]

[Text] Minsk—As we know, a meeting between the Russian and Belorussian [Belarusian] presidents is due to take place in Moscow 3 August. Although we can as yet only make predictions about the outcome of the summit talks, opposition deputies from the Belorussian People's Front [BPF] have, as the saying goes, sounded the alarm. They made a statement about the draft Treaty on Friendship, Good Neighborliness, and Cooperation between the Republic of Belarus and the Russian Federation, which apparently will be signed at the Moscow meeting. The statement expressed dissatisfaction at the spirit of this draft document: "You get the impression that the present version of the treaty has been produced with a view to ensuring political, legal, and economic conditions at an interstate level for the incorporation of Belorussia [Belarus] into the Russian Federation, as well as for the pillage of the people's assets and property by Russian corporate bodies and individuals." Under such circumstances, the authors of the statement consider, you cannot talk about the republic's independence and sovereignty. They also disagree with the introduction of dual citizenship since, they claim, in these circumstances the richer Russian entrepreneurs will get an opportunity to become citizens of Belorussia and buy up industrial enterprises undergoing privatization "in their complete and untouched state."

The draft's article dealing with the commitment of the parties to the treaty to the collective security of CIS countries comes in for sharp criticism. This provision, the statement claims, "effectively obligates Belorussian citizens to defend territories beyond Belorussia's borders under certain circumstances."

The opposition handed over its observations and proposals to the president and hopes they will be taken into consideration. The BPF considers that the treaty's present version should not be taken as basis.

On the eve of the Moscow meeting, other voices are, however, being heard in Belorussia. The republican newspaper ZVYAZDA published an interview with Belorussian Parliament Speaker Myacheslaw Hryb by a correspondent of the Polish journal WPROST. In it he confirms the republic's commitment to its "alignment with Russia" in foreign policy and to the two countries' closer integration. Regarding the presence of Russian troops on the republic's territory, Myacheslaw Hryb stated: "This is a historical necessity, an unavoidable legacy.... We cannot demand that our neighbor suddenly withdraws all its forces, because they after all have to be stationed somewhere.... Ultimately, nobody but the Baltic countries is putting this question so categorically. We should also see things from Russia's point of view—it is not to blame for this state of affairs.... We agreed to the schedules for troop withdrawal proposed by Russia and will assist in their transit. In return, the Russians are giving us discounts for energy sources. It is possible that other sources will appear in the future. But for the moment it is necessary to live and work somehow. We are realists."

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Moldova

Snegur Recalls Ambassador to Ukraine

AU0208172394 Chisinau BASAPRESS in English 1900 GMT 1 Aug 94

[Text] Chisinau BASAPRESS, 1/8/1994—Today, President Mircea Snegur signed a decree on recalling Ion Borsevici from his position as extraordinary and plenipotentiary ambassador of the Republic of Moldova to Ukraine, the presidential press-service reported, quoted by BASA.

Local observers have previously launched the version according to which one of the motives for recalling the ambassador from Kiev is the fact that Borsevici was enlisted as a candidate of the Democratic Party of Labour (PDM) in the parliamentary elections, whereas the PDM is in opposition to the current ruling party.

Ion Borsevici was appointed as the extraordinary and plenipotentiary ambassador of the Republic of Moldova to the Ukraine on 6 April 1993. He was previously the principal counselor of President Snegur.

Leaders View CIS Ties, Economic Issues

LD0208174194 Moscow INTERFAX in English 1612 GMT 2 Aug 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] In the opinion of President Mircea Snegur, the main task for former Soviet republics is to form a common economic space with transparent borders and remove customs barriers. The leaders of CIS countries should concentrate their attention on that, Snegur told participants in an international marathon of handicapped athletes in Kishinev [Chisinau] on Monday. [IF Note: The marathon organized by the famous explorer Dmitriy Shparo among others started in St. Petersburg and will cross all the 15 former Soviet republics.]

In an exclusive interview with Interfax, Vice-Premier Valentin Cunev said the Moldovan leadership favors the speedy formation of a mixed economic committee of CIS countries which in his opinion will help make collectively important decisions concerning economy, finance, customs rules and taxation. (The idea of an economic committee was proposed during the latest CIS summit in Moscow last May.)

Cunev remarked that the present circumstances do not permit Moldova pursue an uncompromising policy with regard to its neighbors while Ukraine is trying to treat Moldova in that way. He said the exorbitant rates for transit transport across Ukrainian territory have become a serious problem.

In the opinion of the vice-premier, without a joint economic committee the overwhelming majority of documents drafted and approved by the Commonwealth will remain unfulfilled.

The Moldovan Economics Minister Valeriu Bobutac described the current economic situation in the country as extremely complicated in an interview with Interfax. He said companies have unsold goods at their stores worth 400 Mn lei ($1=4 lei). The main problem is that Moldova is forced to buy energy and fuel at world prices and higher, and manufacturers include unrealistic profit rates of 50 to 70 percent in the prices of their goods making them more expensive than similar foreign ones.

Among the reasons for the critical situation the minister named the severe drought as a result of which Moldova has lost goods worth 580 Mn lei this year.

The minister was also alarmed by the financial state of most companies in industry, agriculture, construction and transport. He said the mutual debts now total 1,020 Bn lei aggravating the problem of collecting the revenue.

"We are now in the state of a general crisis and the task of the government is to transform the general production crisis into structural. This is going to happen when we manage to curtail and alter hopeless productions, slow down the decline, stimulate the production of popular goods, create conditions for the advancement of promising industries forming the renewed economic potential of the country," the minister said. In his opinion the government is not pessimistic and will reach its objective, if natural disasters of this year do not occur again.

He added that the Moldovan leadership has taken a number of steps to stabilize the economy. Presidential decrees lifted excises on goods imported by manufacturing companies. Export goods, except goods sold to CIS countries, have been freed of VAT and excises. Customs duties were raised on imports of goods Moldova produces in sufficient quantities. Snegur also ordered a considerable lowering of barriers to exports of farm produce and lifting grain purchasing prices.

The government lifted customs duties on goods imported from countries with which Moldova has free trade agreements as well as from CIS countries.

Last May the government enforced a package of laws to organize and speed up the corporatization of government-owned companies and simplify privatization. It also took steps to strengthen the tax service.

Economy Faces 'Acute Financial Crisis'

AU0208182394 Chisinau BASAPRESS in English 1230 GMT 31 Jul 94

[Text] Chisinau BASAPRESS, 31/7/1994—The Moldovan budget deficit increased by 63 million lei in June and stands at 196 million lei ($48 million) as of the first half of 1994; this represents 81 percent of the deficit forecast for 1994. In January-June, budget revenues

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stood at 465 million lei, whereas expenditures exceeded 661 million lei. Sources from the National Bank point out that to cover the budget, deficit credits of the National Bank worth 63 million lei as well as foreign credits of 130 million lei ($32 million lei) were deployed. The state public debt stands at 103 million lei.

"The economy is financed at the limit of possibilities," Moldovan Economics Minister Valeriu Bobutac stated recently during a meeting of the economic decision-makers. He said that mutual debts among enterprises exceed 1 billion lei ($250 million) and this is the main source of the difficulties faced by the government in fulfilling the budget program. At the same time, the budget is seriously affected by the taxpayers' increasing fiscal arrears, government sources say. The amount of arrears in the first six months exceeded 170 million lei or 37 percent of the Moldovan budget revenues. Economic experts from the Finance Ministry deny the official data indicating that 40-45 percent of all taxes were not collected in the budget. The Economics Ministry points out that non-state structures have enormous debts to the budget.

Liliana Agarkova, head of the Fiscal and Economic Reform Direction of the Finance Ministry, stated recently that "the fiscal reform is being elaborated; it will be more flexible and oriented toward the market economy." She denied the statements that taxes in Moldova are burdening, mentioning that the maximum tax on incomes constitutes 32 percent.

Experts say that economic agents have to pay taxes exceeding 60 percent to the budget. On the other hand, government specialists say that "the system of fiscal control is totally inefficient." Last week, a presidential decree established the compulsory usage of the fiscal code beginning 1 September 1994. This decree aims to "improve the supervision of taxpayers and budget revenues."

Government specialists say that the decrease in budget revenues is caused by the substantial decrease in production, the temporary exemption from taxes to repay salary arrears, and the granting of allowances to legal entities and individuals. As a result, in the last five months, the amount of budget revenues decreased by 155 million lei. Many enterprises failed to pay their taxes due to their insolvency, the Economics Ministry states.

The acute financial crisis affecting the Moldovan economy forces the authorities to use a rigid system of deploying budget resources. On 19 July, the government decided to implement a rigid system for saving budget resources. The budget for the second half of 1994 will be revised and the expenditures for the social, educational, and other sectors will be reduced significantly. The administrative personnel will be also reduced by 40 percent. The ministries and departments will be transferred "into less costly buildings" and, beginning 1 October, new norms for financing diplomatic institutions will be established. Local observers forecast that the financial situation in Moldova will worsen due to the drought that seriously affected crops and to the catastrophic decrease in industrial output.

Prevents Investment in Cernavoda Project

AU0208182694 Chisinau BASAPRESS in English 1900 GMT 1 Aug 94

[Text] Chisinau BASAPRESS, 1/8/1994—This year, Moldova will not invest in the construction of the Cernadova atomic station in Romania due to the acute financial crisis faced by the Moldovan economy, Mihail Cebotari, head of the Energy Department, stated to BASA. He specified that negotiations on Moldova's participation in the project continue. Cebotari mentioned that after the July reunion of the Moldovan and Romanian inter-ministry committees in Chisinau, Moldova's participation in the project was postponed.

Valentin Cunev, Moldovan vice premier, told BASA that Moldova is interested in cooperating with Romania in this area. He said that the construction of the station is delayed and there are no guarantees that the constructions will be finalized.

Previously, Andrei Sangheli declared that Moldova will invest in the construction of the Cernavoda atomic power station, which can supply Moldova with energy. Local observers say that the initial variant of the program on governmental activity for 1994-1997 comprised Moldova's participation in the construction of the Cernavoda station. Later, this objective was excluded from the program.

Foreign Trade Statistics Reported

AU0208182794 Chisinau BASAPRESS in English 1900 GMT 1 Aug 94

[Text] Chisinau BASAPRESS, 1/8/1994—"In the first semester of 1994, Moldova maintained economic relations with 66 world states; the volume of transactions stood at 2.3502 billion lei ($595.4 million)," the Ministry of Economy reports. According to the quoted source, 41 percent of Moldova's external trade was performed with the Russian Federation in January-July, then follows Ukraine with 27.5 percent, Romania with 15 percent, Belarus with 3 percent and Germany with 2.7 percent.

The weight of barter transactions in the external trade constituted 55 percent, of which in exports were 58 percent and imports were 51.8 percent. Sources from the Department for Foreign Economic Relations told BASA that 58.9 percent in the export structure and 26.2 percent in the import structure are detained by the industrial production. Thirty percent of exports and 20 percent of imports were performed by private economic agents. The same sources reported that the balance of trade deficit exceeds $86 million; this is a reduction of 54.2 percent as compared to the same period of 1993.

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Parliament To Index Pensioners Bank Savings

AU0208172894 Chisinau BASAPRESS in English 1230 GMT 31 Jul 94

[Text] Chisinau BASAPRESS, 31/7/1994—Yesterday, the Moldovan Parliament adopted a decision on indexing the money deposited in savings banks before 1 January 1992. According to it, 1,000 rubles of the citizens who turned 60 before January 1 1994 will be indexed at 1 leu to 1 ruble. Five hundred lei of the indexed sum will be paid in installments during 3 years; the other half will be paid in shares of the enterprises to be privatized.

Constantin Bulgac, Savings Bank governor, who proposed the draft decision on the government's behalf, pointed out that this indexation mechanism will not destabilize the national currency and offers a possibility for the deposits of all citizens to be completely indexed over 10 years. The finance minister, Valeriu Chitan, stated that 115 million lei will be needed in 1995 and the same sum for each of the two following years.

Many deputies favoured the indexation without limiting the amount and age, arguing that "the people are not to be blamed for the fact that the state that used their deposited money has no necessary means to repay them." The Socialist Unity Faction insisted on presenting an alternative draft decision on a total and immediate indexation of all deposited money to respect the right to property established in the new Constitution. According to deputy Morev, the accounts of 2.5 million people will be indexed; 88 percent of them deposited less than 5,000 rubles in the banks. Speaker Petru Lucinschi stated that the deputies should not try to fulfill by any means their electoral promises, but make proposals that would take into account that "the state lacks money."

Gheorghe Lungu, of the [Agrarian Democratic Party of Moldova] PDAM faction, stated that the indexation of the deposits made in 1992 is not well-conceived because in 1990-1991 the population held excessive quantities of money due to the difference between unliberalized prices and high incomes. He said that the indexation mechanism should be elaborated taking into account the purchasing power of money in terms of hard currency. Lungu suggested that Moldovan citizens should make sacrifices as the post-war German population did.

As a result of the voting, it was decided that only the accounts of the 60-year-old pensioners will be indexed.

Privatization To Begin With Small Enterprises

AU0208152894 Chisinau BASAPRESS in English 1230 GMT 31 Jul 94

[Text] Chisinau BASAPRESS, 31/7/1994—Small commercial, service and public nutrition enterprises with total assets amounting to 1 million rubles ($250,000) will be privatized during the small privatization. It will begin with the "mass privatization," which commences with the first auction July 27-August 9, Slavian Gutu, from the Privatization Ministry, told BASA. He said that, in the first phase of the reform, only two auctions, in Ungheni and Chisinau, were held; 19 small enterprises were sold. Referring to the first auction with submission of applications, Gutu said that it is too early to make assessments of people's participation. However, he said that he does not exclude that the demand could be high as it occurred in the bidding for the Orhei brewery. He also stated that the situation could stabilize during August and September when 130 large enterprises will be auctioned. On the other hand, Privatization Minister Ceslav Ciobanu stated during the last government session that the auctioning of some 500-700 economic entities is difficult due to organizational deficiencies.

Nevertheless, according to independent analysts, the government would do everything to continue the privatization program, which is considered very pressing. Otherwise, the government may breach one of the main provisions of the memorandum signed with the IMF and not receive the promised credits.

PSDM Leader Doubts Impact of New Constitution

AU0208180994 Chisinau BASAPRESS in English 1900 GMT 1 Aug 94

[Text] Chisinau BASAPRESS, 1/8/1994—"Unfortunately, due to the way the Constitution was adopted, society failed to realize its importance," declared to BASA Oazu Nantoi, chairman of the Moldovan Social-Democratic Party (PSDM). Nantoi pointed out that the adoption of the Constitution was not given proper publicity and the governing parties failed to engage in a civilized dialogue with the parliamentary opposition. The PSDM leader said that the adoption of the Constitution will not play the required role in strengthening society, being more of a formal act. "PSDM considers that the adoption of the new Constitution was to fulfill the task of the state's reintegration and that the governing bloc does not have such a well-conceived program. It is most likely that one of the consequences of adopting the Constitution will be the appearance of another Constitution in Tiraspol," said Nantoi.

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Tajikistan

Government Troops Carry Out 'Major Operation'

LD0208153994 Moscow INTERFAX in English 1310 GMT 2 Aug 94

[Text] Government forces in Tajikistan have carried out a major operation outside Tavildary 200 kilometers east of the capital Dushanbe smashing a rebel unit and taking control of the region, a Defense Ministry spokesman said in Dushanbe. A number of the rebels were killed or wounded with the remainder fleeing to the mountains.

Government troops are combing what used to be a rebel stronghold in order to smash opposition bases there. Several arms caches were uncovered, according to the Defense Ministry.

Defense Ministry spokesman Vasiliy Likholet in an interview with Interfax said the operation was hampered because of rocky terrain enabling the rebels to disperse at any sign of danger and deal strikes from the rear. Likholet said the operation would take at least two weeks to complete but he did not say when.

The spokesman denied having any fresh news about the fate of 56 government soldiers taken prisoner on July 22. Some reports say that at least 46 of them were taken across the border into Afghanistan via Gorno-Badakhshan. No word is given of what happened with the rest.

Karasin Stresses Guarding Tajik Border

LD0208160094 Moscow ITAR-TASS in English 1454 GMT 2 Aug 94

[By ITAR-TASS Diplomatic correspondents Aleksandr Krylovich and Valeriy Sevryukov]

[Text] Moscow August 2 TASS—The collective peacekeeping forces and Russian border troops stationed in Tajikistan will take the most resolute measures to guard the Tajik border with Afghanistan, without intervening in armed clashes between Tajik sides on the territory of the republic, Russian Foreign Ministry Spokesman Grigoriy Karasin told a briefing here today.

Russia, he stressed, is standing for the continuation of the inter-Tajik dialogue, especially under U.N. auspices, and for reaching national reconciliation with the democratic expression of the Tajik people's will.

The Russian diplomat expressed the hope that the next round of the inter-Tajik negotiations would lead to the signing of an agreement on a cease-fire and the cessation of other acts of hostility.

According to Grigoriy Karasin, Ramiro Piriz Ballon, U.N. secretary-general's special envoy for Tajikistan, is arriving in Moscow today. He will have consultations with representatives of the Russian Foreign Ministry and other departments on issues connected with the problem of the peaceful settlement of the inter-Tajik conflict.

Opposition Leaders Asked To Be Constructive

LD0308104594 Dushanbe Radio Tajikistan Network in Russian 0400 GMT 3 Aug 94

[Unattributed announcement]

[Text] The increased activity of Tajik opposition fighters against the national armed forces of Tajikistan is causing serious concern. It seems that the opposition leaders have decided to achieve their aims not by political means but by force. Such a path cannot bring about normalization of the situation in Tajikistan and national reconciliation.

The collective peacekeeping forces and the Russian border forces are not interfering in the armed conflicts of the Tajik side on the republic's territory but together with us they will continue to take the most decisive measures to protect Tajikistan's border with Afghanistan. We stand for continuation of the intra-Tajik dialogue, for achieving national reconciliation under the conditions of the democratic revival of the Tajik nation. We attach particular importance to the intra-Tajik talks under the auspices of the United Nations and hope that the next scheduled round will bring about the signing of an agreement on ending the fighting and other acts of aggression. Aggravation of the armed conflicts can only complicate the peace efforts and can only serve the interest of those who are not interested in normalization of the situation and those who associate their future with the policy of unleashing a second civil war in Tajikistan.

We call on the opposition leaders to return to the path of constructiveness, mutual agreement, and accord to tackle [the issue] through dialogue with the government and with the participation of the United Nations, Russia, and other interested states.

Uzbekistan

Karimov Receives UN Special Envoy

LD0308104494 Tashkent Radio Tashkent Network in Uzbek 0145 GMT 3 Aug 94

[Text] On 2 August Uzbek President Islam Karimov received Mahmoud Mestiri, who is the special UN envoy on Afghanistan and a special representative of the UN Secretary General, and Sotirios Mousouris, the coordinator of the UN humanitarian aid to Afghanistan, at their request. During the talks, measures for tackling regional conflicts by peaceful means, including the situation in Afghanistan and around the Tajik-Afghan borders, were examined. At the meeting the policy of noninterference by the Republic of Uzbekistan in the internal affairs of other independent states, the tackling of conflicts through political talks, and the policy of bringing stability in the region were noted. Mestiri positively assessed the peaceloving foreign policy of

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Uzbekistan and President Islam Karimov's initiative on the establishment of a UN permanent [word indistinct] for ensuring peace and stability in the Central Asian region. Foreign Minister Saidkasymov participated in the talks.

U.S. Firm Contributes to Joint Enterprise

LD0208124294 Tashkent Radio Mashal in Uzbek 1000 GMT 2 Aug 94

[Summary] An agreement on setting-up joint enterprises was signed in 1992 between the Ministry for Light Industry and the ICI Trading International firm. The American side contributed $3.4 million for setting-up joint enterprises. The former "Yulduz" textile plant is being modernized. Modern equipment from Germany, Switzerland, Japan, and other countries is being imported. Only 150 people will be working in this plant which, in the past, employed 600. Specialists from the American firm helped in training the workers.

About 80 percent of the goods produced here will be going abroad. In the coming year a similar plant will start working in Andizhan. It is envisioned that this agreement with the American firm will be effective for 25 years.

Agency To Help Foreign Businesses Buy Property

LD0308110194 Moscow ITAR-TASS in English 0936 GMT 3 Aug 94

[By ITAR-TASS correspondent Vilor Niyazmatov]

[Text] Tashkent August 3 (TASS)— Uzbekistan has set up a national real estate and foreign investment agency, Naruni, which works as an information service.

"Our main goal is to assist in any possible way foreign businessmen who want to buy realty in Uzbekistan," Agency's Chief Executive Officer Bakhtiyar Tursunov told ITAR-TASS on Wednesday. "Our other functions are to set up joint ventures and protect interests of foreign investors. We are ready to provide them with information on denationalised and newly privatized property.

"To do this, we have compiled a data base on over a thousand privatised enterprises and new joint-stock companies. We have already provided services to businesspeople from the U.S., France, Pakistan, Japan, South Korea, Israel, and the CIS (the Commonwealth of Independent States) member-countries.

"Businessmen from the United Arab Emirates, India and Germany have asked us to find partners for them.

"We are planning to enter the securities market," Tursunov added.

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Armenia

Chinese To Provide Industrial Raw Materials

NC0208125894 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0739 GMT 2 Aug 94

[Text] Yerevan ("GOLOS ARMENII" daily), 08/02/94—According to an intergovernmental agreement, People's Republic of China was to provide light industry of Armenia with raw materials worth $4 mln.

First batch of materials (various silk and cotton fabric, hosiery) have already been delivered to Armenia. According to the decision of the Ministry of Light Industry, this material will be distributed among 30 enterprises. The rest of due materials will be delivered from China by the end of the year.

These raw materials will allow the Armenian enterprises to operate throughout the year, though with a limited assortment. Several trade organizations in Germany and Egypt have already expressed interest in the Armenian production.

EC Funds Public Administration School

944K1940B Yerevan RESPUBLIKA ARMENIYA in Russian 28 Jul 94 p 1

[V.S. report: "TASIS Program in Action"]

[Text] A National School of Public Administration, which is designed to be the forge of local administrative personnel, will open in Yerevan on 10 September. This is part of the European Community's overall TASIS program, which for its implementation has granted Armenia 1.5 million ECU. This program will also contribute to the implementation of reforms in the administrative system and will assist trade union committees. Philippe Georges, director of the School of Public Administration of France, who is responsible for the European Union's TASIS program, is in Yerevan for this purpose. At a news conference held at the Union of Journalists of the Republic of Armenia, at which Kh. Bezirdzhan, director of the School of Public Administration of Armenia and deputy of the Supreme Council of the Republic of Armenia, and L. Arutyunyan, professor of sociology, were present, M. Georges informed the journalists that the program in Armenia would be implemented by the District Management Institute of the city of Lille in a body of 12 advisers from the ranks of public servants and university lecturers. In turn, Mr. Bezirdzhan observed that the length of the course at the school would be two years. At the same time he expressed the hope that its graduates would in the future be loyal functionaries and would remain far from political ambitions. The school will serve administrative renewal in the republic, regardless of a change of authorities.

Azerbaijan

President Aliyev Spurns Coup Predictions

MK0308095794 Moscow MOSKOVSKIYE NOVOSTI in Russian No.31 31 Jul-7 Aug 94 (Signed to press 2 Aug 94) p 10

[Interview with President Geydar Aliyev by MOSKOVSKIYE NOVOSTI observer Sanobar Shermatova in Baku on 27 July: "Geydar Aliyev: 'There Will Be No Coups!'"]

[Text] Previous MOSKOVSKIYE NOVOSTI publications—"Waiting for a Storm" (No. 29) and "Ayaz Mutalibov: There Is Little Hope for a Bloodless Outcome" (No.30)—analyzed the behind-the-scenes reasons for a clash between Russian and Western interests over Azerbaijani oil and the Karabakh conflict. President Geydar Aliyev's interview by MOSKOVSKIYE NOVOSTI observer Sanobar Shermatova was a sort of response to the publications.

Your correspondent was invited to Baku and spent eight hours in the presidential staff, mostly in conversations with the Azerbaijani president that preceded the interview proper. Only after the eight-hour acquaintanceship did the president allow switching on the tape recorder.

[Shermatova] Why does Azerbaijan refuse to let Russia bring its troops into its territory, and to protect its outside borders together with the Russian border troops?

[Aliyev] Azerbaijan is an independent state, it is a CIS member, and its has signed a collective security treaty. Azerbaijani agencies that deal with border protection cooperate with the corresponding CIS bodies. Why did you choose to start the conversation with that?

[Shermatova] The creation of a single defense space of the Commonwealth will be completed if Azerbaijan lets the Russian troops in. The Russian Federation Border Troops have sealed the Commonwealth's outside border, again, except for in Azerbaijan. High-ranking Russian officials are chagrined by the republic's stubbornness, and they claim that smuggled goods easily pass through the Azerbaijani-Iranian border.

[Aliyev] I am not aware of the Russian officials' chagrin. At any rate, I have not sensed any signs of displeasure coming from official state authorities. I have already said that the Azerbaijani border service maintains contacts with Russian agencies; as a matter of fact, here is a specific incident: The other day, our border guards attended a conference of the border troop commands of the CIS countries in St. Petersburg.

[Shermatova] On what principles do you base your relations with Russia?

[Aliyev] Under my predecessor, these relations were cool, but I am satisfied with the level of contacts with the Russian leadership.

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[Shermatova] So far you have skillfully maneuvered between the major states' oil interests. Your predecessor, Abulfaz Elchibey, was deposed with one week to go before his trip to Britain, where he was scheduled to sign a treaty with a consortium. Is the situation repeating itself?

[Aliyev] Azerbaijan is open to the entire world and sticks with the principle of bilateral relations. My official visits to Western and Eastern countries have served to specifically implement this policy. So, the issue is not the maneuvering, but the conduct of a foreign policy that is in line with Azerbaijani national interests. As for Abulfaz Elchibey's being deposed one week before the signing of an oil contract, this does not square with reality. Talks between the Azerbaijani oil company and the consortium had not been completed. Nor are they completed now.

[Shermatova] The Russian Foreign Ministry has stated that all treaties about the development of the Caspian shelf are not valid without Russia's endorsement, has it not?

[Aliyev] The note had a different meaning. As a matter of fact, Britain has responded to the note, and now the question has been straightened out.

[Shermatova] Does that mean that Britain recognizes Russian interests?

[Aliyev] Actually, no one is denying Russia its interests in the Caspian Sea, but there are also interests of the other Caspian states. Russia cannot unilaterally lay claims to the Caspian Sea.

[Shermatova] Presently a situation is coming about in Azerbaijan that is similar to what occurred last summer. Don't you fear a new revolt by one colonel or another?

[Aliyev] Your information is incorrect. Apparently, you draw on sources that have been trying to spread such sentiments in order to destabilize the situation in the republic. The situation is stable, the government authorities are fully in control of all aspects of life, and there are no grounds for fear. Certain individuals or groups are interested in destabilization as they pursue their personal, mercenary interests. As a matter of fact, such sentiments have been spread by individuals and groups both within the republic and outside it, including by those who have fled Azerbaijan and found refuge in Moscow. It is possible that they even harbor such intentions. But that is all useless.

[Shermatova] The other day a 90-day cease-fire agreement on Karabakh was signed. Do you expect that afterward only Russian peacekeeping troops will be brought into Azerbaijan or there will be forces of other countries?

[Aliyev] These questions will be reflected in a political agreement.

[Shermatova] You do not want to make your stance public, do you?

[Aliyev] No.

[Shermatova] What is your forecast of events in Azerbaijan and around it for the next month or two?

[Aliyev] Nothing unexpected will occur in Azerbaijan in the next month or two. Any coups are out of the question, all the more so because the people will not allow them to occur. If any lunatics attempt to stage a coup, they will encounter determined resistance.

Armenian-Azerbaijani Agreement Detailed

NC0208202794 Baku TURAN in English 1733 GMT 2 Aug 94

[Text] Baku, August 2 (TURAN)—The Major Political agreement concerning the Armenian-Azerbaijani conflict provides for absolute cease-fire and the mechanism for non-resumption of hostilities", special representative of Russian President, Vladimir Kasimirov, told in his interview to "Azadlyg" newspaper.

According to Vladimir Kazimirov, this mechanism includes three points: military hardware is separated on the distance of 20 kilometres from the front line, non-armed monitors are dispatched in the conflict zone and armed monitors are placed on the permanent posts, the forces of the warring parties are separated on the distance, which cannot be reached by the fire.

Vladimir Kazimirov says that non-armed monitors will function like movable patrols while permanent armed posts will be placed on the roads and strategically important hills. Deputy Commanders of these posts will be Azeris or Armenians. "The parties must be confident that their interests are not violated', adds Vladimir Kazimirov.

Georgia

General Says Abkhaz Accord Not Being Fulfilled

LD0208164194 Tbilisi CONTACT INFORMATION AGENCY in Russian 1312 GMT 2 Aug 94

[Text] [no dateline as received] According to a report from the information supply service of the political settlement of the Georgian-Abkhazian conflict, on 1 August, at the headquarters of the Georgian observers of the peacekeeping forces in Zugdidi there was a meeting convened by Major-General Guram Nikolaishvili, Georgian first deputy minister of defense and deputy commander of the peacekeeping forces. The meeting was held in connection with the nonfulfillment of some points of the quadrilateral agreement of 14 May 1994. Present at the meeting were Colonel Laszlo Forgat, deputy leader of the UN mission in Georgia; Major General Vasiliy Yakushev, commander of the peacekeeping forces of the Russian Federation; Colonel Laszlo Szabo, head of UN observer group in Zugdidi; and

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Colonel Vladimir Drobin, deputy chief of staff of the southern zone of the peacekeeping forces.

General Guram Nikolaishvili expressed the displeasure of the Georgian side in connection with the nonfulfillment of certain points of the agreement and the one-sided orientation on the part of the UN representatives and the peacekeeping forces. It was decided that the sides will meet again in the near future to discuss these matters.

Rally Condemns 'Shevardnadze's Illegal Regime'

AU0308111894 Tbilisi AKHALI TAOBA in Georgian 29 Jul 94 p 1, 2

[Report by Soso Zaalishvili: "Rally in Vake Park"]

[Excerpts] On 27 July, the political parties and organizations making up the Round Table held an anti-imperialist rally in Vake Park [Tbilisi]. Several thousand people gathered at the meeting. Employees of the law enforcement bodies stood at the entrance to the park but they did not display their customary activity. [passage omitted]

At the end of the rally, Ramin Rogava [not further specified] read out a resolution that has been sent to the United Nations, foreign embassies, and the Organization for the Protection of Human Rights. It is stated in the resolution that the antihuman Russian empire is struggling against Georgia and the Georgian people. In implementing the empire's orders, the Russian puppet regime is seeking the physical destruction of the Georgian nation. As a result of this, the "Round Table—Free Georgia" states:

In view of the fact that the empire's puppets—the illegal Georgian regime—has caused the state to lose its independence whose foundations were laid by the referendum of 31 March 1991 and Georgia has again become a part of the Russian empire;

Through premeditated actions coordinated with the Russian empire, the illegal regime has violated Georgia's territorial integrity and is again planning to hand over Georgian territory;

The Russian empire, in collusion with the Shevardnadze regime, has occupied Georgia with the aim of annexing it;

With the aim of intimidating the Georgian nation, which is fighting for freedom, Shevardnadze's illegal regime has violated elementary human rights on an unprecedented scale, which has been expressed in the genocide of the Georgian nation and people by both direct and indirect perfidious methods;

The country's economic collapse and the plan to destroy the population through starvation is being implemented in good time;

The political parties and organizations constituting the "Round Table—Free Georgia" demand the unconditional and immediate departure of the Russian army of occupation from the territory of Georgia; the abolition of the Georgian illegal puppet regime and the restoration of the persecuted authorities; the creation of an international tribunal that will investigate and assess those antihuman crimes that are being committed by the Russian empire and the regime sanctioned by it in Georgia.

The resolution was unanimously adopted, following which the rally dispersed peacefully.

Trade Representation Set Up in China

AU0308100194 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 29 Jul 94 p 1

[Unattributed report: "A Trade and Economic Representation Has Been Created"]

[Text] With the aim of extending commercial and economic relations between the Republic of Georgia and the [People's] Republic of China, by a decree of the Republic of Georgia Cabinet of Ministers, a Republic of Georgia trade and economic representation has been created in the Republic of China.

By a decree of the Republic of Georgia Cabinet of Ministers, Nikoloz Lavrentis dze [son of Lavrenti] Guliashvili has been confirmed as Republic of Georgia trade and economic representative in the Republic of China.

Ostankino TV Broadcasts To Be Cut

LD0308101794 Moscow Ostankino Television First Channel Network in Russian 0700 GMT 3 Aug 94

[Video report by correspondent Meden Akhalkatsi; from the "Novosti" newscast]

[Summary] For the past few weeks, the Ostankino television company's first channel has been broadcasting to Georgia for just six hours a day, from 1800 until midnight. The Georgian Ministry of Communications explained this by the fact that Ostankino can only pay Georgia for six hours of broadcasting. There are other, independent television companies in Georgia but they show mainly the most popular movies and television soap operas.

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Latvia

U.S. Increases Aid for Skrunda Radar Station

LD0208174794 Riga Radio Riga Network in Latvian 1700 GMT 2 Aug 94

[Text] Latvian President Guntis Ulmanis has received a letter from U.S. President Bill Clinton, continuing the discussion begun during Clinton's visit about U.S. support for the dismantling of the uncompleted radar site at Skrunda. Clinton announced that the U.S. Administration has resolved to increase the sum of money to 7 million U.S. dollars. Together with (?what has already been assigned for this purpose,) this sum will cover almost the entire cost of the dismantling. The letter expresses the hope that the Latvian Government will immediately commence the dismantling work.

The United States supports all the (?conditions) of the international agreements on the withdrawal of the Russian troops and (?their) implementation, the letter from President Clinton concludes.

Minister Hopes U.S. Accord To Stimulate Investment

WS0308115394 Riga DIENA in Latvian 13 Jul 94 p 7

[Report by Juris Tihonovs: "Latvian-U.S. Agreements Profitable for Both Sides"]

[Text] Riga, 11 Jul—During the visit by U.S. President Bill Clinton on 6 July, an agreement was signed between Latvia and the United States on trade relations and protection of intellectual property, as well as on cooperation in the field of science and technology. Commenting on the importance of these documents, representatives of the Latvian Government and the president emphasized that they are profitable for both sides.

Economics Minister Ojars Kehris told DIENA that in his opinion President Clinton's policy of not recognizing the Soviet occupation of Latvia means that Latvia was and always will be a part of Europe. It is most important not only in the aspect of security, but also of the economy, because security encourages investment. He also expressed the hope that after Clinton's visit, investors would feel more secure about their investments in Latvia.

"The concluded agreements are a logical step toward the development of relations between the two countries. It provides a good prospect for future investors in Latvia, as well as for trading partners," said O. Kehris. He said that they will help in working out future agreements—on avoiding double taxation and the stimulation and mutual protection of investments. Kehris also stated that in the immediate future the Baltic Enterprise Foundation will begin its operations with $50 million, which is to be regarded as a concrete step on the path to cooperation. All of these undertakings are to encourage entrepreneurs not only in the United States, but also in other parts of the world. Besides, obligations regarding the protection of intellectual property will bring Latvia ever closer to civilized countries. This comes just at the right time for Latvia, said Kehris, because there are a lot of illegally copied computer programs, as well as video and audio products being used, and this should be stopped in due course.

President Ulmanis told reporters at a news conference that the conclusion of the first two agreements is only a beginning that will stimulate closer relations between the two countries. He said his opinion on the agreements is very positive, although one must bear in mind that the Latvian side might have some difficulties with the implementation of the agreement on protection of intellectual property rights. This should be a task for the immediate future. At the moment, greater emphasis should be placed on the improvement of commercial relations.

Prime Minister Valdis Birkavs stated at a news conference that the agreements provide additional guarantees for businessmen and will therefore be profitable for both sides.

UK's Hogg Visits Latvia, Meets Senior Officials

LD0308101094 Riga Radio Riga Network in Latvian 0900 GMT 3 Aug 94

[Excerpts] Douglas Hogg, state minister for foreign and commonwealth affairs of the United Kingdom of Great Britain and Northern Ireland, is continuing his working visit to Latvia. He discusses with Latvian officials relations between Latvia and Great Britain and Latvian internal and foreign policy matters.

This morning, Hogg met Andrejs Krastins, associate chairman of the Saeima; Andris Rozentals, chairman of the Latvia-Great Britain parliamentary support group; Peteris Elferts and Maris Graudins, representatives of this group; and Aleksandrs Kirsteins, chairman of the Saeima Foreign Affairs Commission. [passage omitted]

In addition, Douglas Hogg intends to meet today Olgerts Pavlovskis, Latvian state minister for foreign trade and European Union affairs, and Prime Minister Valdis Birkavs.

Delegation Reports Relations With PRC Improved

LD0208165294 Riga Radio Riga Network in Latvian 1500 GMT 2 Aug 94

[Text] A Latvian government delegation returned today from a visit to China, during which a communique was signed on the improvement of the two countries' relations, a news conference was told by the leader of the Latvian delegation, Minister of State Reform Maris Gailis. The signing of this communique also means the cessation of official relations between Latvia and Taiwan, reducing the status of the Consulate-General of Taiwan in Latvia to that of an office or mission. Thus there are no longer any obstacles to the opening of a Chinese embassy in Latvia.

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During the visit, the Chinese side presented for agreement with Latvia a draft agreement on the protection of mutual investments, economic cooperation, and avoidance of double taxation. An invitation was extended to the state president of Latvia, the prime minister, and a delegation of Saeima deputies to visit China. In the next few weeks a delegation of Chinese experts is also expected to visit Latvia.

China is interested in goods transit through Latvia to Belarus, Russia, and northern Europe, as the land route through Kazakhstan and Kyrgyzstan is risky and freight in this region may be stolen.

The members of the Latvian delegation got the impression that China has greatly changed in recent years, in its intensive transfer to a market economy. At present Taiwan is economically integrating with China as well; therefore the experts believe that sooner or later these two countries will merge, Gailis added. China supports the sovereignty of the Baltic countries and believes that Russia (?must withdraw its troops without conditions). This stance of China's is very significant for Latvia, as China is a member of the UN Security Council with the right of veto, and is the country with (?the fastest) economic development in the world.

Cabinet Composition To Remain Secret Until Confirmed

WS0308094894 Tallinn BNS in English 1902 GMT 2 Aug 94

[Text] RIGA, Aug 02, BNS—Latvian Saeima's (parliament) LNNK (Latvian National Independence Movement) faction decided Tuesday to keep in secret the new Cabinet's composition till it is officially confirmed in the Saeima, Saeima Deputy Chairman and candidate for the premier's post Andrejs Krastins told BNS.

Krastins noted that the Cabinet was basically formed, but there were "little problems with separate candidates." In return, LNNK faction Deputy Head Aristids Lambergs named those LNNK candidates for the ministers' posts, who, according to Lambergs, are suitable for the offered to them posts. He named Maris Budovskis to be the Welfare Minister, Viesturs Pauls Karnups as State Reforms Minister, the LABRIT (Good Morning) newspaper's Deputy Editor Inese Vaidere as Environmental Protection and Regional Development Minister. Lambergs said that LNNK faction Deputy Head Aleksandrs Kirsteins should be the Foreign Minister.

Krastins noted that information about the candidates for the ministers' posts and who are not members of the LNNK is kept in secret also because information is gathered in the Totalitarian Regime Investigation Committee on their possible collaboration with the former USSR State Security Committee. Krastins noted that the LNNK would one more time organize consultations with the Saeima factions on their support to the government, formed by the LNNK. Krastins is sure that the results of the talks will be positive. The consultations will not be continued with the Saeima Latvia's Way (LW) faction because the LW has already declared that it would not join the LNNK government. Krastins affirmed that the LW representatives would not join the LNNK government. Krastins said the composition of the Cabinet would possibly be announced on August 8.

The Christian Democrat Union (CDU) faction has not received an offer to take part in the LNNK formed government, CDU Secretary General Maris Vitols told BNS on Tuesday. The CDU is ready to offer its candidates for the posts in Communication, State Reforms and Justice Ministries. If Krastins does not invite the CDU representatives to join the new government, it will not change the CDU stand against the LNNK government, and the CDU future relations with the LNNK government will depend on the new government's activities.

Lithuania

Brazauskas Receives UK Prime Minister Major

LD0208105594 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 2 Aug 94

[Excerpt] Our esteemed guests British Prime Minister John Major; Douglas Hogg, minister of state for foreign and Commonwealth Affairs; Michael Peart, British ambassador to Lithuania; Roderick Lane, adviser to the British prime minister; and other officials were met by Lithuanian Prime Minister Adolfas Slezevicius, Foreign Minister Povilas Gylys, Ambassador Raimondas Rajeckas, and other officials.

The delegation arrived from the airport to the President's Office where a meeting between the British prime minister and Lithuanian President Algirdas Brazauskas was held.

Taking part in the talks from the British side were Douglas Hogg, Michael Peart, and Roderick Lane and from the Lithuanian side Povilas Gylys, Raimondas Rajeckas, Ambassador Justas Paleckis, and others.

Nerijus Maliukevicius, the president's press spokesman, told the press after the meeting that Lithuania's relations with the neighboring states were discussed at the meeting. John Major was interested in the economic situation. The focus of the discussion was on the (?possible) solution of economic issues and on relations with the neighboring states.

It should be noted that both sides expressed their agreement and satisfaction on all the issues under discussion and that relations between Lithuania and Great Britain are developing very dynamically. John Major stressed that he is pleased that British companies are making considerable investments in Lithuania and said that he will promote this process.

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Lithuania's present foreign policy and its future trends were verified during the talks. The British prime minister gave his support on all the issues.

President Algirdas Brazauskas said after the meeting that the talks were informal, frank, and useful.

Bilateral relations and international problems, regional security, economic cooperation and promoting of investments, issues concerning European security, [Lithuania's] relations with Russia, military transit to the Kaliningrad region, and other problems are being discussed at the meeting between British Prime Minister John Major and Lithuanian Prime Minister Adolfas Slezevicius. [passage omitted]

Major on Talks With Baltic Premiers

LD0208125894 London PRESS ASSOCIATION in English 1239 GMT 2 Aug 94

[By Sian Clare, Political Correspondent, PA News]

[Text] The Prime Minister today urged closer links between the European Union and the Baltic States with the prospect of eventual membership.

John Major was speaking at a news conference in the Lithuanian capital Vilnius after a morning of talks with the premiers of Latvia, Lithuanian and Estonia.

"We see the Baltic peoples as part of what we tend to call in western Europe the European family," he said.

"It is both natural and right, perhaps even one might say inevitable, that we should develop increasingly close relations," he added.

Recent agreements to break down the trade barriers and to hold regular dialogue with the EU [European Union] were steps towards eventually offering EU membership to the Baltic States, he said in a news conference via a live link to Westminster.

"There's a march towards that end but it's impossible to put a timescale on it. It's a very fierce competitive world inside the EU and one needs to prepare oneself for that or the individual economies of the Baltic States would suffer some damage," he warned.

Mr Major welcomed economic and democratic reforms in the three countries and spoke of the practical steps Britain and the EU was taking to encourage their development.

He also used the visit to announce he was extending export credit cover to Lithuania, so it now applied to all three Baltic States.

Major, Baltic Premiers Comment on Talks

LD0208180494 Vilnius Radio Vilnius Network in Lithuanian 1100 GMT 2 Aug 94

[News conference by Lithuanian Prime Minister Adolfas Slezevicius, British Prime Minister John Major, Estonian Prime Minister Mart Laar, and Latvian Prime Minister Valdis Birkavs in Vilnius; in English throughout with superimposed Lithuanian translation—live]

[Excerpts] [passage omitted] [Major] Thank you very much. First of all I would like to say that I am happy to be here this morning and to have this opportunity to meet not only the Lithuanian president and the prime minister but also to meet the Estonian and Latvian prime ministers.

I think this meeting was very useful. All the three leaders of the Baltic states have already visited us in London, however, I think this is the first opportunity for a British prime minister to visit Lithuania.

This morning we held, if I may say so, a unilateral summit at which we exchanged opinions on a number of issues. I think several pressing problems emerged, although here I can mention only a few of them.

It is three years this month since the Baltic states regained their independence. Much has taken place during those three years. We have exchanged embassies, we have made a great number of visits, and we have begun to develop trade and investment between our countries. Although the progress here is welcome, it is taking only its first strides, and there is still much to be achieved here.

At our meetings this morning we discussed the closer integration of the Baltic states into the European Union. This is a common objective of the governments of the Baltic states and the states of Western Europe. The reason for this is very clear. We regard the Baltics as a part of the European family; we regard them as independent states. The Baltic states have already established their links with the Partnership for Peace program. [passage omitted]

Closer integration would not only help the three Baltic states but will also be beneficial to the countries of Western Europe.

It would have been rather strange if we did not touch upon the issue of relations between the Baltic states and Russia. I think it is of great importance to implement partnership relations with Russia based on mutual interests and respect for international principles. I believe these are the intentions of the Baltic states. [passage omitted]

[Laar] Many issues have already been mentioned here, therefore I will mention only some of the remaining issues.

We discussed, of course, the withdrawal of Russian troops and the general situation which has developed between Estonia and Russia. We also spoke about the discriminatory customs duties Russia is using against Estonia and currently against Lithuania.

I think our relations with Great Britain are developing very successfully, at least concerning the military issue and the Partnership for Peace program.

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We are setting up a Baltic states' peacekeeping battalion, and we believe that this will encourage the further development of relations between Estonia and Great Britain.

One of the main issues discussed was our trade and economic relations. These discussions will help develop our relations and will promote greater British investment in Estonia.

We are very grateful to Great Britain for the support which enabled us to sign a free trade agreement with the European Union.

[Birkavs] I would like to start by saying that the Baltic states have indeed been successful in going over to a new economic system. I think all three Baltic states have managed to stabilize their macro economies. They have introduced their own national currencies, which are currently convertible.

I would like to express our gratitude to Great Britain for helping us reform our structures. In fact, today we are in quite a new situation. The withdrawal of Russian troops took place after we had signed a treaty with Russia, and I would like to congratulate the Estonian prime minister on this. We believe that this will help ensure security throughout the Baltic region.

In spite of this, however, the present situation demands that the world community draw attention to these problems [not specified], because we believe that a new response from international organizations will be required. We believe that after our productive talks today we can expect this response.

We believe that after 31 August the Baltic states should make one more step toward closer integration into the new united Europe.

We also discussed economic issues. The Latvian Government, and also the Lithuanian and Estonian Governments, has concluded a free trade agreement with the European Union. This is the first step toward integration into the European Union. [passage omitted]

Very specific agreements on cooperation with the NATO countries have been drawn up by Latvia. We welcome these agreements, and we also express our gratitude to the United Kingdom for its assistance in this matter. [passage omitted]

[Unidentified correspondent] [passage indistinct]

[Major] [passage omitted] We should regard this as a process. The European Union has just concluded free trade agreements with each of the three Baltic states in turn. I think this is a very important step in the development of relations with the European Union. [passage omitted]

The second aspect would be to open the way for the possibility of establishing a regular political dialogue with the European Union. [passage omitted] The agreements concluded with the European Union will later make it possible to join the European Union. The principle here is clear and the direction is clear, but much has still to be done by both sides. [passage omitted]

Speaking about NATO, it must be stressed that bilateral relations between Great Britain and the individual Baltic states are developing successfully. We are prepared to help the Baltic states' peacekeeping battalion both by training it and by teaching the English language. [passage omitted]

[Unidentified correspondent] I would like to ask Mr. Major how the change of government in Latvia could influence Latvia's integration into Europe.

[Major] I think the most important thing for the Latvian Government, indeed for the government of any country, is to continue the process of integration both into international institutions such as the West European Union, the Partnership for Peace program, and the Helsinki Process, and also to begin integrating its economy by switching to free trade, which is the best means for economic development. [passage omitted]

I would like to say that sometimes we speak about the Baltic states as though they were a single country, whereas in fact there are three separate independent countries with different interests. [passage omitted]

[Unidentified BALTIC INDEPENDENT correspondent] A question from the newspaper BALTIC INDEPENDENT. Much concern has been voiced about the Kaliningrad region, where tens of thousands of Russian troops have been deployed. Would Great Britain join Sweden and the United States in urging a demilitarization of this region in order to achieve stabilization?

[Major] We would be happy to see an agreement between Lithuania and Russia on the Kaliningrad region. It seemed from our discussions this morning that there is a possibility of such an agreement being reached. This is important not only for Lithuania and Russia but also for the countries of Central and Eastern Europe. I would not like to make any further comment on this issue. [passage omitted]

There is no doubt that Kaliningrad is a Russian territory, and therefore it is important to ensure that an appropriate transit agreement is reached. I would not like at this stage to proceed further than this on this issue. [passage omitted]

[Unidentified Polimpeks correspondent] A question from the independent Lithuanian television company Polimpeks for John Major. [passage omitted] When you visited Warsaw recently on your way here, you discussed how Britain can help Poland become a full member of NATO. The Baltic people would like to hear what you have to say about our prospects of becoming full members of NATO.

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[Major] I said both in Poland and here that membership in the Partnership for Peace program [words indistinct] that NATO will expand its membership. The question is not whether it will expand its membership, but when, how, and how far. One cannot predict when this will take place. Obviously, we would like to do this without destabilizing the existing situation, so instead of taking some measures which may be destructive, we prefer to proceed through the Partnership for Peace program. [passage omitted]

[Unidentified correspondent] [passage omitted] What is your view about the signing of a transit agreement with Russia, and about the problems in Lithuania's relations with Russia in general?

[Major] My opinion, which is shared by many of my European partners, is that a an acceptable agreement concerning the transit to Kaliningrad and back should be reached. I understand that many people are concerned about this issue of transit to and from Kaliningrad. [passage omitted] However, one must proceed further, and I think that an acceptable agreement should be found. I think that most of my colleagues from the European Union are of the same opinion. [passage omitted]

[Unidentified correspondent] [passage omitted] If Russia becomes more militant and turns against its neighbors, could the Baltic states expect Britain to defend them? [passage omitted]

[Major] We have consistently maintained that the Baltic states are independent states, and thank God that these states are independent once again. [passage omitted] But you set up some kind of scenario for the end of the world and ask me what would happen if this takes place, then I cannot answer the question when it is put in that way.

I think the West European countries, the United States, and Western states generally would stand firmly for the independence of the Baltic states. At the moment we see no threat to them. Perhaps if I were a citizen of the Baltic states I would feel differently about this. [passage omitted] There is no doubt that Great Britain and other Western countries want the Baltic states to maintain their political and economic independence. [passage omitted]

Major, Estonia's Laar Confer

WS0308083394 Tallinn BNS in English 1902 GMT 2 Aug 94

[Text] VILNIUS, Aug 02, BNS—The British Prime Minister John Major at today's meeting with the Estonian Premier Mart Laar supported Estonia's efforts to sign an association agreement with the European Union [EU], the Foreign Ministry press representative Mari-Ann Rikken informed BNS. The premiers met in the Lithuanian capital Vilnius.

Major repeatedly stressed his fascination with Estonia's economic progress. He promised to encourage the British Economy Ministry and businessmen to tighten relations with Estonia. Trade between the two countries is in deficit at present. "It is a very fierce competitive world inside the EU and one has to prepare oneself or else the Baltic economies will suffer," Major said.

"The best way for us is to integrate with all the European institutions open to us," Laar said after the meeting.

Major promised aid and new projects through the Know-How Fund, the Foreign Ministry press service reports. The meeting also touched upon Estonia's relations with Russia. Major was primarily interested in whether the Russian troops will really withdraw by Aug. 31.

Laar thanked Major for British help in forming the Baltic peacekeeping battalion.

Major principally supported Estonia's resolve to join NATO. It should be effected step by step, he stressed.

Issues of economic cooperation raised at the meeting will be discussed in detail during the upcoming visit to Estonia of the British State Minister Douglas Hogg.

Mart Laar was accompanied to Lithuania by the Estonian Ambassador in Great Britain Riivo Sinijarv, and three other officials. Laar also met the Latvian Prime Minister Valdis Birkavs, the Lithuanian Prime Minister Adolfas Slezevicius, and the Lithuanian President Algirdas Brazauskas in Vilnius.

UK's Hogg Meets With Landsbergis

LD0308105894 Vilnius Radio Vilnius Network in Lithuanian 0500 GMT 3 Aug 94

[Excerpt] On the initiative of the British Embassy in Vilnius, Douglas Hogg, minister of state for foreign and Commonwealth affairs of the United Kingdom of Great Britain and Northern Ireland, who arrived in Vilnius together with Prime Minister John Major, met Vytautas Landsbergis, leader of the parliamentary right-wing opposition.

After the meeting Landsbergis told the daily LIETUVOS AIDAS that he and Hogg discussed Lithuania's political and international problems, saying that the most important of them was the slow—even unchanging—understanding of Russia and what kind of relations should be maintained with its neighbors by a democratic state.

Lansbergis said that Hogg stressed more than once that the West had a clear and undisputable point of view on the Baltic states as fully sovereign states and that in this respect these states were already now regarded as a part of the Western community. Landsbergis said that this stance was much more important and was rather helpful in a political sense.

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Concerning Russia's military transit to the Kaliningrad region Hogg was reported as saying that if this transit were under observation and control of some international structures then this would be better to Lithuania rather than having military transit, which is not controlled at all.

According to the opposition it would be best of all to have no commitments to Russia on military cooperation, and only the most vital cargo should be allowed to pass through Lithuania. [passage omitted]

Lithuanian, Latvian Premiers View Withdrawal, Borders

WS0308093794 Vilnius ELTA in English 1829 GMT 2 Aug 94

[From "News Bulletin" No. 556]

[Text] Vilnius, August 2, ELTA—On Tuesday Lithuanian Prime Minister Adolfas Slezevicius met with Latvian Premier Valdis Birkavs, who was on a working visit in Lithuania.

The governmental leaders discussed the issue of joint participation in peace-keeping forces. They also discussed political and economic cooperation between Baltic and Scandinavian countries. During the meeting both premiers exchanged views about Russian Army's withdrawal from Baltic states, Latvia included. Slezevicius said that Lithuania unconditionally supported Latvia's claim that Russian Army would be withdrawn on time.

Prime ministers also discussed problems of border-posts and customs-offices. They stressed the fact that quite a number of people smuggled goods from one Republic to the other and citizens of third countries crossed the Lithuanian-Latvian border illegally.

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